For Him, Hot Week

Justice Minister Stuart Garson, 50, appointed just a year ago from premiership of Manitoba, faced his first big test in federal politics this week when Opposition parties united to challenge his handling of the McGregor flour milling report. Manitoba's premier from 1943 until election to the Federal House as Liberal member for Marquette, Man., last year, a lawyer, he sat in Manitoba Legislature for 21 years, became provincial treasurer in 1936.

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THE NATION'S BUSINESS

Is Combines Control Really Effective?

It is to be hoped that the current explosion over combines legislation and administration will lead to thorough and realistic review and to constructive reform.

No one can deny the extreme difficulty of evolving efficient, fair and realistic legislation in this field. If it is to be always illegal for firms to make price and marketing agreements, there are many ways in which such agreements can be made and carried out and no combines enforcement officer will ever be able to get anything in writing to prove his point.

Here's another angle and point of view to be considered in any realistic approach to reform. It comes from an executive, now in Canada, but with intimate experience of cartels and trade agreements in Britain and Europe. He said in effect:

"I've seen good cartels and vicious cartels. The dividing line is shadowy, but unless some effort is made to define that marginal area, cartel and price fixing laws will always be unfair and ineffective. In some cases, price and marketing arrangements serve the public interest in promoting stability and keeping prices lower than would be the case if instability prevailed. Price wars merely foster monopoly and put a premium on bigness because the big can hold out while the weak firms perish. Excessive profit over an extended period is surely the fundamental test of what is against the public interest.

"The vicious cartels against which the public must be protected are those where the profits are exorbitant and where a group monopoly combines to suppress technological development, to maintain scarcities and to stamp out new and effective competition. I don't see indications of that in Canada. Certainly the situation here is nothing whatever like that prevailing over the Atlantic. But for good or ill, price fixing and other arrangements are going to take place somehow. Law that can't be enforced is bad law. Law that hits only here and there, momentarily exposing and smearing one industry while scores of others escape, is unfair law."

Not A One-Man Job

As a starting point on reform, here are some questions which, we believe, deserve studious answers.

Is it wise or practicable to rest the enormous responsibilities and powers of combines control in one man? We can't think it is. Surely this is a job for a commission with representatives of government, consumers, management and labor. This is a job neither for fanatic zealots nor for careless cynics. Certainly it is a job which should come under the examination of some with wide and senior experience in how the world's work is actually done and how great affairs are managed.

Is it wise for the combines commissioner to have such extensive powers of launching formal investigations? Under a one-man setup we can't think so. Similarly we don't think it wise that the government should be tied by law to publish the resulting report.

Here of course, is a delicate issue, because the public will require complete assurance that the legislation is not being defeated by political or party considerations, nor that findings unfavorable to political friends are suppressed.

On the other hand, there is grave danger too in the present setup whereby the commissioner, all on his own and without consultation with the government, can gravely disrupt an industry's operations and damage its repute in his report.

Would it be wise both in law and in its administration to recognize that all price fixing agreements need not always be damaging to the public interest?

It wouldn't make sense either for the consumer or the producer to have half a dozen different prices in the same community for things like bread, milk or gasoline. Is the price fair, not is it the same, is the important issue.

Let's Be Realistic

What is needed above all is to conduct our combines control in such a way that men of honor and conscience will be able freely and candidly to reveal their operations to examination by the public conscience. A realistic and non-doctrinaire approach here would, we believe, work wonders in achieving fair and effective control and above all in getting after the real underworld of combines and cartels where the public interest is seriously endangered.

In the flour milling case, it is not surprising that the government has announced that it will take no action. In the Barlow decision in the dental goods case our whole combines control system was brought into very serious question. During the wartime price-control period, the flour millers were enjoined by government to adopt combination and price fixing as was the case for virtually every other essential industry in the country. To prosecute on the basis of allegations as to what was done prior to the war seems of doubtful wisdom or justice.

There will be public concern about the ex-commissioner's allegation that there were some instances of two sets of records and of records being destroyed.

The clamor will be loud and violently partisan about the withholding of the flour report so far beyond the statutory term. For a cabinet to break law cannot be condoned.

The Socialists will have a field-day but their shouts are meaningless since they want to establish complete price fixing and cartelization in every industry.

But the main thing is to get our combines control reformed so that it will be effective, realistic and non-doctrinaire.

Honeymoon in Used Cars Coming to Its Close

New-Used Car Business on Last Legs; Only Few Makes Still Command Premiums; 52% Increase in Financing, "Sign of Times"?

Canada's grey market in new-used cars was just about on its last legs this week.

It might be bolstered for a while by the Oshawa General Motors strike and pending shutdowns at Ford and Chrysler due to a shortage of steel.

But indications were the easy-money free-spending days are numbered.

The signs were out along the "Broadway" of the used-car business in Canada, a half mile stretch of Toronto's Danforth Ave.; also in Montreal, Winnipeg, Edmonton, Calgary and Vancouver.

A survey by The Post showed over-list premiums are a thing of the past, except on a few lines. Used-car dealers are only offering more than original prices for hard-to-get American-made Buicks and Cadillacs and stripped Chevrolets and Plymouths. In the case of the latter, the premium is seldom more than $50 against $200-$300 a few months ago. What's more, the cars have to be brand-new and shorn of expensive extras.

The sign of the times was also evident in another direction; during the first eight months, 52% more sales were financed (new and used) compared with the same period last year. The downward trend was also evident in full-page ads announcing special sales and in a slow but steady price drop.

Here's the regional picture:

Toronto: Considerably lower prices by Christmas unless the steel shortage puts a serious crimp in new car output. Today's prices somewhat below three months ago but no major adjustment expected. Volume still holding up. Demand was described as "fair" for this period of seasonal decline. Hardest hit pricewise are all 1946-48 models and '49 Ford products. New Look Fords can be had for $1,850. Older postwar jobs for $1,200. Cars of 1937-42 vintage holding up well pricewise. To quote one of the city's biggest dealers: "The honeymoon is over; that crazy market is beginning to correct itself."

Montreal: Mild fall holding up volume and prices but most dealers looking for real adjustment by Christmas. Like Toronto, premiums the exception instead of

(Continued on page 3, col. 1)

New Combines Legislation Is Planned For Next Year

By KENNETH WILSON

OTTAWA (Staff) — To cover its confusion in having withheld the flour milling report for 10 months, the Government is now planning to completely overhaul and review the basis and administration of this legislation in 1950.

The amendments to the Combines Investigation Act now before the Commons are merely an attempt to plug the gaps in the act made last year by the Barlow judgment in the dental supply case.

What's ahead for next year is a new look at one of the most controversial and amendment-ridden pieces of legislation affecting the operations of Canadian business.

In his resignation last week after 24 years of service in the administration of this act, Commissioner Fred A. McGregor accuses the Government of planning an overhaul which would have the effect of "limiting the effectiveness of the legislation" by:

Eliminating the Commissioner's initiative in launching enquiries.

Placing serious limitations on the requirements that reports be made public, and providing for exemption, after prior approval, of certain types of agreements to restrict production or eliminate price competition.

Three-Man Commission?

The Government, through Minister of Justice Garson says the Government "abandoned its own three suggestions" when Mr. McGregor objected to them; suggests there is no indication it will now "imperil" the act "by failing to do as you advise on some future occasion."

Up to now the Cabinet has made no detailed study of what a 1950 Combines Act should look like. Most of the present Cabinet know nothing of the background of the present Act; were shocked to realize belatedly the powers vested in McGregor.

What may well emerge is a three-man commission to administer the Act along the lines of the present Tariff Commission. As well, there is almost certain to be some change in the present authority respecting publication and preparation of reports.

Example: at present one minister (presently the Minister of Justice) can initial a go-ahead order for the Commissioner. Once he's done that, the report has to come out no matter if it's good, bad or indifferent.

An obvious revision to this one-sided position would be to at least have the Cabinet as a whole initial each investigation so that they know what they are letting themselves in for at the start.

What's reasonably clear behind the developments centring on the milling report is that one reason the Government got caught in the toils of its own legislation

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No Move to Answer Yet By Millers

Discussion with flour milling executives indicate no present likelihood that the industry will move to answer allegations in the McGregor report.

One view expressed is that the controversy now rests primarily between McGregor and the Government. Until that clears there's almost certain to be no move by the industry one way or another.

Even then, it doesn't look as if the industry will attempt to force a court hearing. To date the Government says it won't prosecute. That means, in the view of some company officials "that we are being smeared by McGregor without a chance to defend ourselves."

But it looks now as if the companies may follow the policy of "least said soonest mended."

From Britain

Bonuses Boosting U. K. Output

Individual Workers Get More for More Work

Here is the third of a series of articles written for The Financial Post by Floyd S. Chalmers, executive vice-president of Maclean-Hunter Publishing Company Limited, who is at present in the United Kingdom.

By FLOYD S. CHALMERS

EDINBURGH — Britain is a land of startling contrasts. The other night in Lincoln the mayor's office showed us the sword that King Richard II presented to the city in 1387, a blade of finest steel. The next morning we saw the most completely mechanized steel foundry in Britain, one of the most up-to-date in the whole world.

In the mayor's office was a medieval strong-box, with a lock of most intricate construction. The records show that the workman who built it was paid 10 shillings for what must have been three months' work. A few hundred yards away Ruston and Hornsby make oil engines up to 2,410 h.p.

We have seen the manufacture of products as varied as hairsprings that can scarcely be seen except under a magnifying glass and oil-powered locomotives. The quality of workmanship seems to be equal in both.

Some of these firms have long-standing Canadian connections. Ruston and Hornsby of Lincoln have been supplying oil engines for line elevators in Western Canada for the better part of two generations. But they are redoubling their efforts in Canada to help bridge the dollar gap.

For many years — except in wartime — 90% of their production has been for export and there is not a country on the face of the globe where they have not sold engines, mine locomotives, switching engines, excavators or other engineering equipment. They have always found Canada a "difficult" market. Right alongside of the United States, Canada has favored American products. But this firm is determined to change the buying habits of Canadians if it can be done. Devaluation has given them price equality once again. They are giving the Canadian market absolute priority in shipments.

Story in Other Places

This story of Canada as a sticky market for British machinery and engineering goods is the one we have heard many places.

At Aveling-Barford's at Grantham we were told the same thing. Aveling-Barford's make road rollers, dump trucks, "calfdozers," graders and some other products. They make more road-rollers than any other firm in the world but have sold few in Canada, chiefly because Canadian contractors prefer the tandem type of roller. Aveling-Barford rollers will turn on a dime, run up or down a 1-4½ grade and perform other ingenious feats. But Canadian engineers know American products better than they know British products.

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PRICES

Canadian cost-of-living slipped a bit during September. The index on the base 1935-39=100 was fractionally lower at 162.2 on Oct. 1 compared with 162.3 on Sept. 1. The decline was mainly attributed to lower food costs since that index dropped from 207.0 to 205.0, sufficient to offset increases in coal, coke and gasoline which followed devaluation of the Canadian dollar. A slight decline was also shown in the home furnishings and services group, from 167.4 to 167.2 due to a decline in the average price of radios. Clothing was up 0.6 to 184.1.

Butter advanced 1½c on the wholesale market to 60½c lb. following announcement that Government would unload its 60 million pound stock at a premium. Retail prices followed this week with increases of 1c to 2c lb. and a further general increase of 1c lb. is predicted by the end of the week.

Copper was boosted ⅞c lb. to 18½c (U. S.), first price change since July 11. Reflects optimism regarding end of steel strike and continuance of present strong demand for copper from fabricators.

Steel price increases are anticipated in U. S. due to added pension costs. No estimate is yet available as to extent of the rise to be expected but one leading producer estimates that steelmaking costs will be raised $3-$4 a ton as result of the 10c "pension-welfare package."

Typewriter prices: Remington Rand recently cut the price of its noiseless typewriter from $224.75 to $197.50 in the U. S. but no cuts are envisaged here. To avoid price increases necessitated by rising production costs due to devaluation, company is revising its discount basis. The maximum discount now allowed will be 10%. Discounts on noiseless and electric machines have not been granted for some time.

Residential building materials continued their downward drift in September, the index on the base 1935-39=100 declining to 226.1 from 226.2 in August. This makes a cumulative decline of 4.3 points from the February peak.

Overemphasis Placed on U.K. Buying, is View

OTTAWA (Staff) — Canadian authorities are hoping that by next week word will be received from Britain on the 1949-50 buying program of Canadian foods, timber, etc.

Point still at issue is whether U. K. will accept Canadian suggestions and reinstate increased purchases of bacon, eggs, newsprint, etc., which U. K. wanted to lop off entirely.

Size of Britain's shopping order in Canada for the 12-months period which officially ends next July is still around $600 millions to $650 millions. What's under review at present time is commitments extending beyond this mid-year ECA period into the rest of 1950.

Although Canadian officials are gloomy at present conditions in Britain (unwillingness or inability to face economic facts of life) they remain undisturbed by the over-all perspective of Canada's trade position and prospects.

The point made is that Canadian attitude of late has tended to overemphasize the magnitude and importance of the British market in the Canadian scheme of things.

It has suited U. K. not to discourage the idea that Canada is "over a barrel" without the British market. But many officials here think that this is an inaccurate and distorted view of Canada's real position.

One important fact is that once the four-year wheat contract is completed U. K. purchases of wheat will recede to a more normal pattern both as to quantity and price. That in itself will cut a substantial figure off the present "imbalance" of Canada-U. K. trade accounts.

As well, the improvement of our accounts with the sterling area by switching purchases of raw material which we normally buy in any event from sterling sources, should be a very significant corrective.

Cheap Japanese Goods Back on Market Soon

OTTAWA (Staff)—Real Japanese competition in textiles, drugs, chinaware, toys, light machinery, etc., now looms ahead for 1950 with General McArthur's announcement removing the floor price on all Japanese exports. The only exception is silk prices, which have been guaranteed until the end of 1949. After that this floor will go also.

It is too early to say how quickly or in what direction this new competition will affect Canadian business. But there's no doubt that it will raise headaches and problems for private traders, manufacturers as well as customs officers and tariff administration.

Already the Canadian Tariff Board has had to adjudicate on the controversial matter of Japanese gloves and mitts — even while the floor prices were in effect. From now on there is no limit, pricewise to which Jap traders can go to capture Canadian and other markets where their low-priced merchandise traditionally sells.

Last year Canadian imports from Japan totaled $3 million of which $1.6 million was scrap iron; $264,000 pottery and chinaware; $225,000 silk and its manufactures; $610,000 toys and dolls; $182,000 tea; $173,000 oranges. Imports in the first eight months of 1949 totalled $2.8 million.

Last year was the first time Jap goods came back into the Canadian market. In 1947, our imports were only $300,000 against $5.9 million in 1940 and $4.9 million in 1939.

Canadian exports to Japan moved up to $8 million last year against $11 million in 1940 and $28 million in 1939. Much of this prewar business was in metals.

United States sources say that Jap goods have been piling up in warehouses, hence the McArthur order aimed at stimulating foreign sales.

Prior to the order, U. S. traders are said to have been buying Jap textiles and shipping them into the Philippines at prices below those of comparable U. S. goods. This despite a 15% to 20% Jap tariff and free entry for U. S. textiles. Even before floor removal Jap print cloth was quoted at 18½c against 25c for U. S.

Tidier System In Steel Control

OTTAWA (Staff) — At this session of Parliament the government will amend the emergency control regulations to tighten up steel and other items in schedule 111 (capital goods). The changes will be purely administrative.

They will involve no new major fields of industry or imports and will take the form of a brief draft bill to "tidy up" the present control arrangements.

Behind this decision is the important fact that Canada is presently holding her own in respect of U. S. dollar reserves. So long as the situation gets no better or worse, there is nothing to warrant any major changes in controls, either up or down.

Earlier, when U. S. dollars had been disappearing rapidly, it had been feared that quite new and more drastic controls might have to be imposed. This threat has, for the moment at least, disappeared.

One job that will be done in the new "clean up" order is to regularize the import restrictions on steel which were announced some weeks ago.

It is not generally recognized that the steel import restrictions of a few weeks ago were issued, not under emergency control legislation but under the hangover powers of Mr. Howe's steel control. This legislation is due to expire March 31.

As well, in the new legislation, a number of items now partly under control will be extended to avoid evasion through existing loopholes.

Labor Union Feud Embroils Industry

1,200 Firms Here and in U. S. Already Hit By CIO Expulsions—CGE May Be First Called On To Answer: Whose Side Are You On?

By RONALD WILLIAMS

Up to now employers have been able to stand on the sidelines and watch unions battle over Communism. Last week in Cleveland when the CIO kicked out two Communist unions, neutrality became a difficult position to maintain.

This week, 1,200 firms employing around 500,000 here and in the United States, found themselves pitchforked into the middle of the fight. All have contracts with the expelled Communist-run Electrical Workers. Already tension is mounting. There have been fights, work stoppages and injunctions.

When the CIO gets around to dealing with other Red unions, hundreds more employers will be affected. They will be in the following industries: mining, fur and leather, shipping, fishing, farm implements. Also hit will be organized offices.

This week, James Carey, head of the new rightwing union and CIO secretary, put every one of the 1,200 firms on the spot. He sent two-page wires advising them to drop the expelled union and sign with his group.

The implication was clear: whose side are you on: the Communists' or ours?

No matter how employers answer, it spells trouble: jurisdictional fights; competitive and frenzied organizing; rivalry for greater employer concessions and perhaps strikes.

A Canadian firm, Canadian General Electric will be the first to face the crisis, here or in the U. S. Due to circumstances beyond its control, it finds itself in the unenviable role of guinea pig in the bitter guerilla union war. All employers caught in the middle of the battle will be watching closely to see how CGE makes out.

When the CIO kicked out the UEW and started action to boot out 10 other Red-run unions, CGE was at a critical point in negotiations for contract renewal with the ousted UEW.

Face Formidable Question

A Conciliation Board report on its dispute is expected any day. In weeks, CGE will be face to face with a formidable question: which side to sign with, the expelled Communist group or the new CIO rightwingers?

All firms here and across the line who have had to deal with Communist unions will eventually face the same critical question. But most have contracts signed and delivered. This gives them a breathing spell; CGE has none.

Right away CGE was hard up against the $64 dollar question: what to do?

Whatever the answer, one thing seems clear: CGE and every other firm involved is bound to get hurt. To say nothing and let union nature take its course will be construed by rightwingers as giving left-handed aid and comfort to the Communists. Carey's wires have already made this clear.

But no matter how a firm feels about the Communists, in Canada at least, it can't just tear up its contract and tell the Reds to go back to Moscow. That would be a violation of Canada's labor laws. The statutes don't yet distinguish between Reds and others as does the U. S. Taft-Hartley Act. Ottawa may have decided Communists are not the best people to have in government agencies and is rooting them out. But let an employer try it, or even decline to deal with them as union officers, and see how fast the law will be on his neck. In any event, if he deals with the Reds, he's going to have trouble from the other side and vice versa.

A lot of firms may be guided by how and with whom their con-

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Inside News

Quietest Boom Town

Edmonton—the quietest boom town in history. Now going through its seventh and biggest boom. Edmonton refuses to get overly excited about Oil. Here's why (p. 15).

Better Gas Mileage?

What are the chances of motorists getting more miles to the gallon? Canada's annual gasoline bill will be around $500 millions this year. The average motorist spends $190 annually on gas. Here's hope for his pocketbook (p. 15).

How to Reform Navy

Canadianization of our navy by all means, but not through easing tried and established standards of discipline. That's how Post readers view the special commission recommendations on revising Canadian navy rules and procedures. The Question (p. 10, 11).

The McGregor Report

What is the substance of the McGregor charges on an alleged milling combine? What does the Government say about the report? The Post gives a résumé of the report's conclusions. House debate (p. 8).

Compton at New High

Annual income rate of the Compton investment account has been boosted to a new high as a result of a recent bond-to-stock switch. Income yield is running 119% higher than when account was first taken over in Dec., 1944 (p. 5).

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Gatineau Power Co To Build New Line

OTTAWA (Staff) — G. Gordon Gale has announced that Gatineau Power plans construction of a high-voltage transmission line to connect the Gatineau system with Quebec Hydro at its Cedars and Beauharnois plants. This would pave the way for purchase of additional power by the company from Beauharnois. The company informs The Financial Post that the amount of power involved "may reach 50,000 hp in the foreseeable future." Present total capacity is 650,000 hp., of which one half is 25-cycle power.

Speaking at the annual dinner of the company's mutual benefit association, Mr. Gale stated that completion of the Rocher Fendu regulating dam on the Ottawa River ahead of schedule had placed in operation a 27,000-hp. unit in the Bryson power plant. A 110,000-volt transmission line between St. Jerome and Ste. Agathe has also been put into operation.

Pace of Business

Department store sales in week ended Oct. 29 resumed their upward trend showing an increase of 5% over corresponding week of 1948. Only declines recorded were in Maritimes (off 3%) and Quebec (off 2%).

Cost of living index (1935-39=100) declined slightly to 162.2 on Oct. 1 from 162.3 at Sept. 1 due mainly to declines in food prices.

Carloadings in week ended Oct. 29 totaled 87,944 cars, up 1,337 cars from previous week but down 3,675 from year ago.

General Building Materials price index (1926=100) declines to 197.6 in September from 198.1 in August, making a total drop of 7.8 points since March when the index stood at 205.4. Sept. 1948 index was 200.2.

Bank debits in September totaled $7,652 millions, up 14% from $6,710 millions in Sept., 1948. Nine months total up 8.9% at $62,287 millions ($57,212).

Pig iron production amounted to 168,436 tons in September, down 7.7% from 182,465 tons a year ago.

Steel production at 240,748 tons in September was 6.6% below last year's 257,865 tons.

Shipments of Canadian-made motor vehicles in September totaled 30,894 units in September, up 50.9% from 20,475 in August, 29.9% from 23,775 in Sept., 1948.

Beer production in September totaled 644,300 bbls., off 17.7% from August (782,400), up slightly from 639,700 a year ago.

Unemployment insurance claims in September totaled 59,080, up 2.3% from 57,750 in August and 78.8% from 33,038 last year.

Security transactions between Canada and other countries resulted in purchase balance of $600,000 in August compared with a sales balance of $4.7 millions in July and purchase balance of $3.4 millions in Aug., 1948.

Washing machine production in August was 28,451 units, increase of 12.7% from 25,248 units last year. Eight months total was up 14% at 231,276 units (201,658).

Electric refrigerator output totaled 15,327 units in August, up 60.8% from 9,531 a year ago. Eight months total up 30.7% at 114,212 units (87,387).

EATON'S

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ONE OF EATON'S OWN BRANDS

EATON'S

Whose Laws Will Control Bases in Newfoundland?

Over a few square miles of Newfoundland, during wartime, the United States raised its flag and began, in co-operation with Canadian and Newfoundland forces, one of the great air operations of the war. There were minor incidents, such as might occur in any military camp composed of Allied powers, but they were smoothed over in the fight for victory.

But right now, there's trouble brewing over three little patches of U. S. land in Newfy. It's been brewing for some time, it's getting hotter in Ottawa and Washington, and officialdom is trying to work out a deal before more trouble develops.

This is revealed in a special article by Blair Fraser in Maclean's Magazine.

The root of the trouble — it comes as a shock to people long accustomed to two democracies living at peace along an undefended border — is a situation which challenges the civil rights of Canada's newest citizens, and, in some important respects, denies them the right to be masters in their own house.

A Newfoundlander, shot and wounded in his own country by an American MP., has no recourse to a court of law. Damage claims resulting from traffic accidents on Newfoundland streets have been denied or left unpaid by Washington. A customs officer was stopped at pistol point from carrying out his duty on a public highway.

Strictly Legal

And the most disquieting thing about it all is that it's all strictly legal — under the terms of an agreement to which neither Newfoundland nor Canada were signatories.

The agreement was the 1941 "bases for destroyers" deal between Winston Churchill and the late President Roosevelt. It handed the U. S. rights on the three Newfoundland bases which still have 91 years to run. In the meantime, these lease rights have spawned some delicate, yet sore, problems affecting (a) the jurisdiction of Canadian courts in matters affecting Canadians (b) enforcement of customs regulations, and (c) taxation of U. S. civilians at Newfoundland bases.

With Confederation, Canada inherited these Newfoundland sore spots. It's working now to iron them out in Washington. After a year of written and verbal negotiation—based on the need for friendship rather than any legal right on Canada's side—there's some hope of having the terms of the 1941 agreement changed. But the change is slow coming, and is by no means certain yet.

Canada's Stand

What, specifically, is wrong with the agreement? The most important point is that it gives U. S. courts "the absolute right" of jurisdiction over any offense whatever committed by a non-British subject within the leased area. And that could even include murder.

Even outside the leased area, anywhere in Newfoundland, U. S. have jurisdiction when a non-British subject commits an offense "of a military nature." Those last four words in quotations are important. For, while the agreement indicates that it intended such things as treason, espionage, and sabotage, there is a minority of American officers who would class any infraction of the U. S. Articles of War as an offense of a military nature.

There are other sore points as well: Leakage of duty-free goods from the Post Exchange stores (sample: cigarettes, eight cents a package, compared with 38c in Newfoundland stores) has been hard to check. The narrow brush which one customs officer had with actual violence — he stopped a car carrying U. S. mail — doesn't help either.

Exemption from Canadian income or excise taxes — enjoyed not only by U. S. soldiers and their dependents but also by American contractors on the bases — has turned out to be more than a matter for envy. Each base employs several hundred Newfoundland civilians on construction jobs. Their employers pay neither workmen's compensation contributions nor unemployment insurance. Last month, 600 Newfy workers were laid off. They couldn't get unemployment insurance.

There's a difference in pay too. American civilians on the bases get American rate of pay; Newfoundlanders get Island rates which are usually half as much. In 1941, with labor scarce and Newfoundland officials reluctant to fan inflation, this drew no official protest, but the Government would like to see a uniform scale adopted now.

Attempts to form a union at one of the bases folded after pressure was exerted by an American civilian superintendent on a scale which, in normal business relations, might be considered intimidation. Later, the commanding general issued a directive which, in effect, said that the superintendent's action was contrary to U. S. Air Force policy, but the fledgling union hasn't been revived.

The Other Side

All the foregoing seems to add up to a pretty strong indictment of the U. S. position in Newfoundland. Actually, the score is counterbalanced by pleasant acts of U. S. friendship far beyond the letter of the treaty.

The trouble, he explains, is that out of the few incidents that do occur far too high a proportion lead to nasty trouble. This is true, not because American soldiers are ill-behaved, but because the sovereignty and dignity of Canada are violated by the terms under which they live. When trouble does arise, it leaves a sense of national shame in its wake.

By contrast, look at the situation at the other U. S. bases in Canada, such as the one at Churchill. Canada is satisfied with the arrangement. There has been full co-operation, an absence of trouble.

The presence of U. S. troops in Canada is not an issue in the Newfoundland trouble at all. But Canada would be much happier if the Newfoundland bases were covered by some of the provisions of the Visiting Forces Act of 1947, which apply to the far northern bases.

Elsewhere In Canada

Under that Act, U. S. Forces retain full rights of military discipline over their own personnel. They may also, when Canada is willing, try their own men for violations of Canadian law. But, if Canada wants to take the case, it has the prior right. Canadian sovereignty, and the civil rights of her citizens, can be protected in this way.

Admittedly, the situation in Newfoundland and that at the other U. S. bases in Canada are not parallel. Canada bought out all American military establishments in this country (the original nine provinces) after the war for $77 millions cash. The Americans are here as guests. The purchase and the Visiting Forces Act didn't alter the earlier "bases for destroyers" agreement one whit. The bases there are exclusively American establishments run at American cost.

Ottawa, reluctant at this time to negotiate for outright purchase or to enter the unforeseen commitments of joint operation, is hoping for a continuation of the present system so far as ownership and operation are concerned, but with a better deal in three respects:

1. Jurisdiction—shared authority with the basic sovereignty of Canada untouched.
2. Customs—tighter control to stop leakage of duty-free goods into ordinary trade channels.
3. Taxation—civilians on Newfoundland bases on the same basis as other American civilians in Canada — that is, payment of Canadian taxes with their U. S. payments deductible.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Alberta Govt. (Edmonton)—Richard Martland, director of Industrial Development and Economic Research.

Anglo Canadian Oil Co. (Calgary)—J. B. Webb, chief geologist.

Associated Textiles of Canada Ltd. (Montreal)—R. Gilles Perras, sales manager, COHAMA Nylon division.

Canadian Federation of Property Owners' Associations (Ottawa) — J. J. Sunderland (Quebec City), A. D. Quintin (Montreal), Harold B. Itter (Vancouver), Lloyd E. Wood (Edmonton), directors.

Canadian National Railways (Montreal)—W. T. Patterson, counsel for western region; G. R. Doull, principal assistant engineer, Moncton; P. A. Rooney (Edmonton), district passenger agent for Alberta.

Philip Carey Co. Ltd. (Montreal)—Joseph A. Edmonds, sales supervisor; G. A. Bazinet, Ottawa, district representative.

Crouse-Hinds Co. of Canada Ltd. and Marelco Ltd. (Toronto) — Carl G. McGreevy, vice-president.

Crown Life Insurance Co. (Toronto) — Henri Bourgeault, representative at Winnipeg.

Crown Trust Co. (Toronto) — Carl R. Vincent, manager at Winnipeg; Paul Harris, treasurer.

Certified Public Accountants Association of Ontario (Toronto) — Kirby F. Hannan (Toronto) president; J. E. Lee (Hamilton); H. J. Cornish (London) vice-presidents; F. T. Sudbury (Toronto) secretary-treasurer.

Chisholm Industries Ltd. (Vancouver)—Frank Read, joins firm as partner and office manager.

Consolidated Red Cedar Shingle Association of B.C. (Vancouver)—H. V. Whittall, president; C. G. Watson, vice-president; G. S. Raphael, secretary manager.

General Motors Diesel Ltd. (London)—Robert E. Hunter, director of sales, Montreal.

Great West Life Assurance Co. (Winnipeg)—Lindsay E. Brannen, supervisor at Halifax.

Industrial Acceptance Corp. (Montreal)—T. R. Bailey, manager Saskatoon; S. B. Robbins, manager, Barrie, Ont.; J. Y. Buchanan, manager at Calgary. J. G. Marquis, credit manager, Quebec-Maritime Division, Montreal office; F. P. Paradis, manager, Quebec City.

Institute of Internal Auditors, Inc. (Vancouver Chapter) — Hugh R. Horne, president; Arthur H. Parkinson, vice-president; James Brown, secretary; L. W. Fuller, treasurer; J. S. Lang, J. Lorn McLean, governors.

International Harvester Co. of Canada Ltd. (Hamilton) — L. J. Murphy, manager at Saint John; M. J. Felan, manager, London, Ont.

John Labatt Ltd. (London, Ont)—Duncan Morrison, assistant to Ontario Sales manager.

Massey-Harris Co. (Toronto)—H. E. Babcock (New York), a director.

National Trust Co. (Toronto) — J. G. Hungerford, general manager.

Northwestern Utilities Ltd. (Edmonton)—John R. Munro, director.

Ontario Property Owners' Association (Toronto)—Joseph S. Stauffer (Toronto), a vice-president; Alfred J. Bender (Kitchener), a director.

Paul Service Stores Ltd. (Montreal) — Sidney Paul, director.

Plymouth Cordage Co. (Welland)—W. B. Kitchen, general manager for Canada.

Public Relations Association of Ontario (Toronto) — Bryan Vaughan, president; Lee Trenholm, Henry F. Janes, vice-presidents; R. G. Fitzpatrick, secretary; Fred M. Payne, treasurer.

Rennie & Agnew Ltd. (Windsor)—Collin Johnson, office manager.

Robin Hood Flour Mills Ltd. (Montreal) — W. J. Henning, a director, and assistant general manager (Eastern Canada).

Starr Manufacturing Works (Dartmouth)—Maurice Dean, sales engineer.

Vassie-Brock-Manchester Ltd. (Saint John) — William L. Wheler (Toronto) general manager.

Dominion Rubber Co., Toronto, announces the retirement of G. W. Charles, vice-president and general manager, footwear division.

Toronto General Trusts Corp. announces the retirement of Col. J. W. Langmuir, manager, Toronto office, and of H. M. Forbes, assistant general mgr.

Obituaries

Norman L. Leach, Winnipeg, vice-chairman and director, Searle Grain Co.

Robert L. Burnap, 77, former traffic vice-president, Canadian National Railways, Montreal.

William F. Andrews, Windsor, president, Border Cities Wire and Iron Ltd.

H. E. BABCOCK

At a recent meeting of the Board of Directors, Mr. H. E. Babcock of Ithaca, N.Y., was appointed a Director of Massey-Harris Company, Limited. Mr. Babcock's appointment reflects the expanding interest and scope of the company's business in the United States.

To the board, Mr. Babcock brings a broad knowledge of the United States agricultural industry gained in various educational and governmental positions including County Agricultural Agent; Professor (Marketing), New York State College of Agriculture, Cornell University; Assistant to Chairman of the Federal Farm Board; member Business Advisory Council, United States Department of Commerce, and member National Agricultural Research Policy Committee, U.S. Department of Agriculture.

Combining practice with theory, Mr. Babcock owns and operates farms in New York State and in the Pecos Valley of New Mexico. He is editorial consultant to the "Country Gentleman" and has written extensively for farm publications.

Mr. Babcock is Chairman of the Planning and Development Committee of Cornell University, of which he is a member of the Board of Trustees. He is a director of Avco Manufacturing Corporation, First National Bank, Ithaca, and Ithaca Lincoln-Mercury Corporation.

National List Guide to Firms Buying, Selling

In your business, are there times when you want to know, in a hurry, the facts about a nationally-known product: who makes it, who's in charge of buying, the advertising agency and executive who handle the account?

The answers affecting 2,600 companies are given in the 1950 edition of the National List, a pocket-sized 258-page record of national advertisers and their advertising agencies in Canada.

Names and titles of chief buying executives are listed under each company name; also the name of the agency and account executive. By a cross-index of trade names, manufacturer is identified by name and address.

Of special reference value is the complete list of advertising agencies in Canada, with the accounts each agency handles.

The National List is available from Canadian Advertising (Maclean-Hunter) 481 University Ave., Toronto, at $2 per copy.

Power Company Profit Trend Up

Net profit of Lower St. Lawrence Power Co. for the nine months ended Sept. 30, 1949, amounted to $133,516 as compared with $101,822 for same period last year. Operating revenues showed an increase of 11.3% at $800,751 and expenses were up moderately from $246,213 to $269,847.

Increasing sales of energy are being made to all classes of consumer and especially to residential users, both urban and rural. Construction of distribution lines during the past year has also been instrumental in bringing new customers to the service area (meters increased from 16,068 at Sept. 30, 1948, to 17,724 at Sept. 30, 1949). Total energy sold in period was 23,975,728 kwh as compared with 21,376,983 kwh in corresponding period of 1948.

Saguenay Power Earnings Decline

MONTREAL (Staff) — With operating revenue off 9%, nine months' earnings of Saguenay Power Co. and its subsidiary companies (except Saguenay Electric Co.) were 4.7% lower than last year for the period ended Sept. 30.

Consolidated net income was $1,016,631 ($1,171,500 a year ago) after deducting $903,363 ($791,869) provision for income taxes. There was a reduction of almost $500,000 in the amount of power purchased, but operating revenue was down approximately the same amount. The higher provision tax accounted for a large part of the decrease in net, with other expenses running about the same as in 1948.

Third quarter results were also lower than last year. Net income was $375,421 ($391,570) after $329,004 ($263,473) income taxes.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Erwin, Wasey of Canada Ltd. (Toronto) to direct advertising for Dominion Magnesium Ltd., Toronto, and subsidiary, Light Alloys Ltd., Renfrew and Toronto. Former's 1950 advertising to run in trade and technical journals, as well as "educational" series in business papers. Light Alloys Ltd., plans promotion by trade papers and direct mail. Consumer promotion may also be undertaken.

* * *

McKim Advertising Ltd. (Montreal) says six-month campaign for British Railways, ending March, uses quarter pages in Canadian magazines, and 70 and 140 line space in newspapers. Tying in Holy Year travel, copy suggests British Isles stopover; offers 25% saving on ordinary fares for individual tours by booking in advance.

Muter & Culiner Ltd. (Toronto) will henceforth be known as Muter, Culiner, Frankfurter & Gould Ltd. Joining firm as director and vice-president is Eddie Gould, 14 years with another agency. G. M. Frankfurter was already with agency as copy chief and account executive.

* * *

Stevenson & Scott (Toronto) reports lithographers' strike caused packaging difficulties delaying introduction of Nutrim's Junior Cereal. Introduction will now take place after first of the year.

* * *

F. H. Hayhurst Co. reports pre-Christmas campaign for Meccano Ltd., Toronto, under way in magazines, newspapers, radio. Newspapers promotes Meccano sets and Dinky Toys in weekly insertions, aimed at parent and child appeal. Radio spots to be heard adjacent to juvenile programs, shared equally between Meccano and Hornby toys.

* * *

Vickers & Benson Ltd.'s offices at Toronto move Nov. 11 to 380 Victoria Street, near Gerrard, where agency will occupy major portion of new building. Telephone number now EL. 6301.

* * *

Harry E. Foster Advertising Ltd. (Toronto) claims new series of institutional ads for Dominion Stores Ltd. may be unique. Appearing weekly in 21 dailies Windsor to Halifax are 1,200-line insertions in which actual employees tells first-person story of their jobs, enumerate benefits enjoyed by Dominion personnel.

* * *

Harold F. Stanfield Ltd. (Toronto) says devaluation price cuts feature revised advertising for British-made Rolls Razor. Pre-Christmas newspaper campaign uses 640 and 350 lines. Street car cards in Toronto, Montreal, Winnipeg, and Vancouver also feature gift angle. Campaign breaks this week, ends Dec. 22.

* * *

Provincial Paper Ltd. (Toronto) awarded certificates and cash prizes to 25 winners in sixth Canadian Direct Mail Leaders Award Contest. Entries of material turned out in Canada during the past year were made in five groups, with five winners named in each without rank except as to best. Winning sponsors in each group, the best named first, were:

Single Direct-Mail Pieces: Henry Birks & Sons (Montreal) Ltd.—bride's handbook; General Motors, Oshawa—digest-size booklet; Nova Scotia Bureau of Information, Halifax—travel booklet; Ralph - Clark - Stone, Ltd., Toronto—100th anniversary portfolio; Trans-Canada Air Lines, Montreal—institutional booklet.

Direct-Mail Campaigns — Brunswick-Balke-Collender Co., Toronto—16-piece; Canadian Industries Ltd., Montreal—52-piece; Cook Clothing Co., Toronto — 2-piece; Goodyear Tire & Rubber Co., Toronto—6-piece; Maclean's Magazine, Toronto—24-blotter.

Catalogues: Gutta Percha & Rubber Ltd., Toronto; Art Gallery of Toronto; Enamel & Heating Products Ltd., Sackville, N.B.; Massey-Harris, Toronto; Woodward Stores Ltd., Vancouver.

Internal and External House Organs: Bank of Montreal, Montreal — internal; Carling Breweries Ltd., Waterloo — external; British American Oil Co., Toronto —internal; Ontario Department of Lands & Forests, Toronto — internal & external; Ford Motor Co., Windsor—internal.

Annual Reports — Canadian Breweries Ltd., Toronto; Distillers Corporation-Seagrams Ltd., Montreal; Ford Motor Co., Windsor; Imperial Oil, Toronto; George Weston Ltd., Toronto.

* * *

Stevenson & Scott (Toronto) says McLarens Ltd., Hamilton, will use series of six one-minute transcription spots, English and French, in key markets coast to coast beginning next week to promote olives.

* * *

O'Brien Advertising Ltd. (Vancouver) retained by Chiropractors Association of British Columbia to place series of newspaper ads, beginning immediately and through 1950, to explain work of chiropractics. Agency will also look after public relations work for the Association.

* * *

Stevenson & Scott (Toronto) says small ads in key market Ontario dailies will introduce "Lip-Stae" cosmetic, made and distributed by Mutual Sales.

* * *

Harry E. Foster Advertising Ltd. producing new recorded musical variety show, the Northernaires, which client, Northern Electric Co., will use throughout Canada in 1950. Program started this week on Vancouver station, with thrice-weekly schedule.

* * *

Stevenson & Scott (Toronto) reports purchase by Dr Ballards Animal Foods of "Singing Sam" show which runs 15 minutes through Saturday on Toronto station.

* * *

McKim Advertising Ltd. (Toronto) says client, General Dry Batteries of Canada Ltd., will employ special display unit to feature flashlights as Christmas gifts; will exhibit three models, the three-cell, two-cell, and new Junior designed for handbag or glove compartment.

* * *

Stevenson & Scott (Toronto) reports Lander Co. using St. Catharines and Niagara Falls area as test market for introduction of Elizabeth Post cosmetics. Series of six 1,500-line ads in St. Catharines paper ties in with point-of-sale, counter, and window displays.

* * *

Canadian Association of Advertising Agencies, at annual meeting, re-elected officers and directors, headed by Morgan Eastman (McConnell, Eastman & Co.) president.

S.E.C. Revises Report Forms

The U. S. Securities & Exchange Commission has adopted a new quarterly report form, a revised general form for registration of securities on national securities exchanges, a revised annual report form and a revised form for current reports. All of these forms were published in preliminary draft form last March and comments and suggestions invited from the general public. A number of changes were made in the forms as a result of the comments and suggestions received, it is stated.

Except for providing a separate form for quarterly reports and some amplification of the instructions to include certain administrative interpretations, the new quarterly report form does not make any substantial change in the requirements with respect to such reports, it is stated.

The revised registration form merges other registration forms heretofore prescribed for various classes of registrants. Among the more important changes made in the form are the amplification of the items and instructions calling for a description of business and property so as to indicate more precisely the information required, the disclosure of material litigation and the amendment of the remuneration items to bring them into line with the requirements of the proxy rules.

The annual report form was revised along lines similar to the registration form.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application

POSITIONS WANTED

OFFICE MANAGER — EXECUTIVE

EXPERIENCED IN general and cost accounting, credits, correspondence and all office routine, also in accounting investigation work and selling. Adaptable and reliable, desires position with responsibility. Highest references. Box 323, The Financial Post, Toronto.

AVAILABLE!
(SALES ADMINISTRATION)

AGGRESSIVE YOUNG businessman, age 26, married, experienced in sales record systems, correspondence, merchandising and promotional work. Montreal residence. Box No. 325, The Financial Post, Toronto.

EXECUTIVE, MANAGERIAL OR ADMINISTRATIVE

EXPERIENCE INCLUDES the following: secretary-treasurer of industrial firm employing 175 for five years; manager and later owner of manufacturing firm employing 40 for 13 years (sold business); assistant personnel manager of aircraft company employing 7,000 for two years; Registrar of The Institute of Chartered Accountants of Ontario for two years. Excellent references from the Institute Council, and all the previous employers and business associates. Good general accounting training and experience. E. Duke Scott, 157 Lawrence Ave. E., Toronto. Phone: HYland 8398.

EXPERIENCED ACCOUNTANT — four years in public accounting — highest references, wishes to locate in permanent position. Box 330, The Financial Post, Toronto.

ACCOUNTANT

GRADUATE ACCOUNTANT, 33, married, 14 years experience in general, cost and public accounting, desires responsible position as chief accountant or internal auditor. Phone Toronto, ME. 5286 or write Box 329, The Financial Post, Toronto.

QUALIFIED SECRETARY Accountant. Presently employed as assistant secretary and chief accountant. Experienced office manager, personnel, and public relations. Married, with family. Age 43. Toronto preferred. Box 333, The Financial Post, Toronto 2, Ont.

REAL ESTATE

FOR SALE

MODERN COMMERCIAL HOTEL located in a thriving City in Maritime Provinces, 80 rooms complete with Furnishings. Owner retiring. Priced to sell. Box 380, The Financial Post, Toronto.

FOR SALE OR RENT

TWO STOREY BRICK and cinder block building capable of supporting heavy machinery. Main floor 4,765 sq. ft. Second floor 2,610 sq. ft. Basement 2,172 sq. ft. At present being used as a bakery. Owner retiring. Will sell or rent the building alone or all as a going concern. For further information apply to T. Valanoff, 174 Mitchell St., Port Colborne, Ont.

AGENT AVAILABLE

EXPERIENCED Engineer — Construction Superintendent—Estimator and Appraiser, located in the St. Maurice Valley District, Que. is available as Agent for the sales of any building materials and as Representative for professional services. Apply Box 334, The Financial Post, Toronto.

POSITION AVAILABLE

WANTED

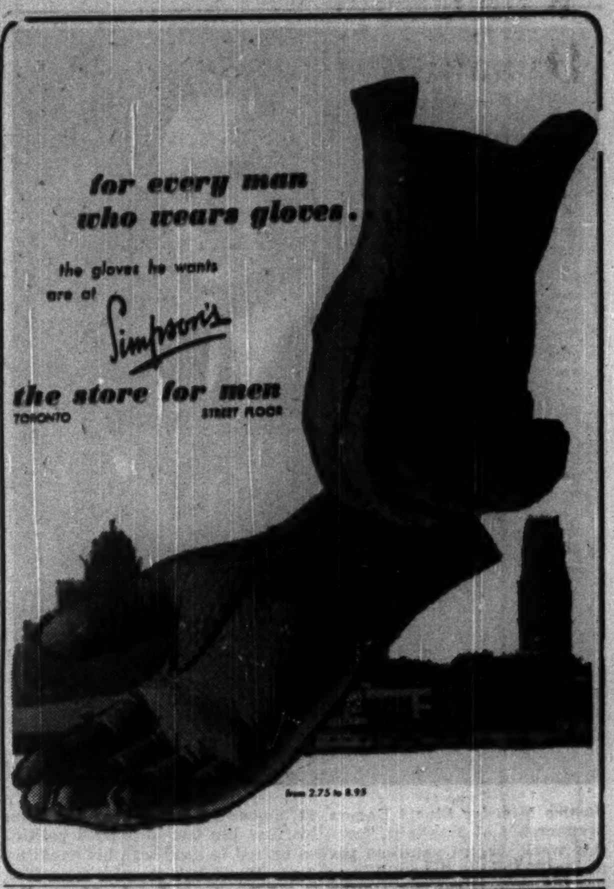
GRADUATE ENGINEER (or equal qualifications) preferably civil or mechanical for position of assistant to General Manager of Steel Company, leading as soon as possible to job as Works Manager. Salary is open, but should not present any obstacle if applicant has necessary qualifications. The Company is located in the Maritimes and operates a steel foundry, structural and machine shops at one location. Employs approximately three hundred men. Future of Company appears good. Applicants who are of interest to us will be furnished with more details of Company's position. In applying for position give complete details and state salary required. Main characteristic looked for in applicant is organizational ability with aggressiveness. Experience is important and a minimum amount is required but intelligence and the ability to learn quickly is essential. Apply to Box 318, The Financial Post, Toronto.

CHIEF METHODS ENGINEER

A PROGRESSIVE industrial company with a large office staff requires the services of an industrial or methods engineer with experience in office practices. The applicant must have both the education and experience to advise and assist in establishment of the latest practices of scientific office management including job analysis, work simplification, work measurements, office standards, office layout and equipment requirements, etc. The individual must be a specialist in this field and have both the ability and personality required to gain the respect and co-operation of the company supervisors in carrying out this programme. In reply please furnish full particulars on age and academic record, also names of previous employers together with length of service, nature of work performed and salary received, and salary expected. Apply Box 328, The Financial Post, Toronto.

AGENCIES WANTED

MANUFACTURERS AGENT covering Province of Quebec industrial plants wishes additional line of top quality mill supplies or mechanical equipment. Please write Room 405, Canada Cement Building, Montreal.



SALES MANAGER WANTED

Large corporation manufacturing varied industrial products and specialties has opening for a high calibre man as Assistant to the Vice-President in charge of sales. Must have executive ability and be capable of organizing and controlling sales personnel from coast to coast. Please furnish complete details of experience covering the past 10 years, also availability and salary range. Applications will be held in strictest confidence. Apply to: BOX 331
THE FINANCIAL POST, TORONTO

LOOKING FOR A GOOD MAN?

Here's some qualifications for you—
- Age 32, married and no children.
- Sales executive 1935-40 in England.
- Army six years—both field and staff work.
- Successfully organized own business with manufacturing and sales force responsibilities, which was eventually sold.
- Considered something of an expert on point-of-sales merchandising.
- Familiar with most phases of advertising.
- Good salesman, quite capable of executive responsibility.
- Travelled extensively through Canada, U. S. A. and Europe.
- Active producer, hard worker in any sales force or merchandising business.
- Situated in Montreal. Willing to relocate.

BOX 326
THE FINANCIAL POST, TORONTO

MAYFAIR

CANASTA — WINNING STRATEGY EXPLAINED IN NOVEMBER MAYFAIR, NOW OUT

MAYFAIR IS ABOUT SUCCESSFUL PEOPLE.
IT IS FOR SUCCESSFUL PEOPLE.

There are 8,500 newsstands in Canada. Mayfair is sold at 800 of these, located where high-income people buy.

ASK YOUR ADVERTISING AGENT OR PHONE
MAYFAIR MAGAZINE
DOMINION SQUARE BLDG., MONTREAL,
481 UNIVERSITY AVENUE, TORONTO.
A Maclean-Hunter Publication.

Muter & Culiner Limited
advertising agency
announces that
Eddie Gould has joined the firm as a director and Vice President. Mr. Gould is well known in the Advertising Profession having been associated with McConnell, Eastman and Company, Limited, for the past fourteen years as Account Executive and Radio Director. Coincident with the appointment of Mr. Gould the firm will be known as —

Muter • Culiner • Frankfurter & Gould
LIMITED
137 WELLINGTON STREET W., TORONTO
m·c

Which Side to Sign With? Dynamite Problem at CGE

(Continued from page 1)

tract was drawn up and signed. If a firm has a master contract covering several plants and it was signed by Communists, they could be in for a lengthy period of wrangling and turmoil. But at least they know where they stand.

CGE finds itself in a somewhat more difficult position. To all intents and purposes it has a master contract, but the company insists on a separate agreement for each plant. The contract is signed by both the top leadership from Toronto and the local officers.

Typical of the problem this creates is the Peterborough situation. There the contract was signed by the union's national boss, Communist C. S. Jackson and the local rightwing officers. What is CGE going to do in this case: keep its contract with the Reds or with their foes?

Since the war, CGE has had agreements in six of its 11 plants with the UEW. The union acted for about 6,500 CGE wage earners, all in Ontario. Total Canadian membership claimed by UEW was 25,000. Total Canadian and U. S., about 600,000.

Since UEW's expulsion four locals, two of them CGE units, have broken away to join the new rightwing group: One is the biggest in the UEW: Peterborough representing over 3,000 CGE workers; the other a 350-CGE unit at Cobourg. Already, half the UEW's CGE membership seems to have deserted to join the rightwing.

Both factions are already engaged in a bitter legal, organizational and propaganda battle. The stakes are big: control of a big, powerful and rich union. Canadian dues amount to something like $30,000 monthly; U. S., $750,000. CGE workers alone contribute about $9,000 a month to union coffers. Cash on hand in the Peterborough local alone is about $17,000.

When Peterborough rightwingers pulled out, they padlocked the union office to stop the leftists getting in. The Reds retaliated by putting on a padlock of their own. Meanwhile, the Reds got an interim injunction requiring the rightists to remove their lock and to prevent them ,touching the $17,000 union funds.

On Monday, some of the smoke of battle may be cleared. A hearing on the injunction is set for Toronto. What happens may influence the future strategy of both factions and the company. Another factor which might hasten a decision is dues. CGE check off of union dues and in the past has forwarded payment every month to UEW. The next cheque isn't due to go out for two or three weeks. Which side should CGE send it to?

May Need Government Vote

All these questions will likely come to a head when the Conciliation Board finding is handed down. That will precipitate final contract talks and ultimate signing. If the air isn't any clearer than at midweek, a government-conducted vote may be the only answer to determine which side should represent the workers. However, no clear-cut CGE decision is thought possible as the Reds are expected to hold some of the locals even in a secret vote.

Not since the strike-torn days of 1946 has there been so much wrangling and strife on the labor front or as much potential grief for the future. In 1946 it was a relatively simple although tough fight. But the battle lines were clearly marked between management and labor. When it ended, both sides put away their shooting irons and buckled down to work.

Today's fighting is a lot different. There's the same management-labor struggle in steel, automobiles and coal. But now there's the far more serious guerilla war; union against union with unfortunate employers caught in the middle. It is a battle most observers fear will keep the labor front in turmoil for the next few years.

Car Honeymoon Coming to Close

(Continued from page 1)

the rule. Older postwar jobs harder to move. Early prewar models firm but really old heaps going begging.

Winnipeg: Demand still good but sales off about 10% from last year. Drop blamed on dealers who refuse to cut prices rather than any substantial decrease in demand. New-car dealers who also deal in used cars unable to match open market prices on trade-ins. To correct this situation a move is on foot to stabilize prices and get them down to a uniform level.

Calgary: Buyers' market back. Seasonal slump under way with heavy resistance on models from 1942 back. Prices down about 10%. Dealers hope shutdowns due to steel shortage will bolster demand. So far their hopes unfulfilled. Some dealers already hit hard enough to force them out of business.

Edmonton: Slight weakening in new and used car demand. However, demand for new cars still exceeds supply while used-car prices holding steady except on 1946-48 models. These reported down about $300. Earlier jobs in 1939-42 class still bring good prices.

Vancouver: Combination of fine weather, the U. S. steel and coal strikes believed responsible for firmness in volume and prices. Seasonal decline still not apparent this week. However, drop expected by Dec. 1. A 1940 Ford which brings $700-$850 today not expected to bring much more than $400 by Christmas. Big cars harder to move; also 1946-48 jobs.

Their Cork-Tips make smoking — Cleaner!

What I enjoy so much is the superb quality of Craven 'A' cigarettes—plus the cork tip. They're always delightfully fresh—cool to the tongue—kind to the throat. That's why I prefer Craven 'A'—world-famous for their fine quality.

CRAVEN PLAIN—without cork tips—same fine quality as Craven 'A'.

Craven 'A' will not affect the throat

The largest-selling Cork Tipped Cigarette in the world!

CARRERAS LTD., LONDON, ENGLAND—150 YEARS' REPUTATION FOR QUALITY

ROBERT E. HUNTER

has been appointed director of sales for General Motors Diesel Ltd., London, Ont., with headquarters at Montreal. He has been district sales manager in Chicago with GM's Electro-Motive Division.

Sales of Canada Savings Bonds 'Phenomenal'; 51% Up on '48

OTTAWA (Staff)—Biggest success story in Ottawa is the phenomenal country-wide sale of Canada Savings Bonds.

As at Nov. 4 with 94% of the campaign over it appears that total sales are 51% greater than at the same period a year ago: $214 millions, or within 18% of total sales for the full year of third series bonds.

Comparing payrolls up to Nov. 4 with sales in the same period last year, the increase to date is 35.5%; or $123 millions which is $5 millions more than total sales of payroll bonds during the entire life of third series bonds. It is estimated here that by the end of the payroll drive there will be at least a net gain of 20% from last year — possibly more.

By divisions, payroll sales in the Maritimes and Quebec show the most marked improvement. Quebec is up 47% at $27.3 millions; Maritimes 50% at $2.7 millions. The new Maritime figures include Newfoundland but it is reported that there has been little response as yet from the tenth province.

Ontario payroll was $55 millions at Nov. 4—higher by 30%. Gains of 30% and 35% are reported in Prairie and B. C. territories, respectively.

Among special groups, payroll deduction savings of employees in Canadian chartered banks show a 200% gain; Armed Services, 80%; Civil Service, 56%. Railway employees are doing 26% better

In the general sales, the chartered banks and other official issuing agents are 78% ahead with returns at Nov. 4 of $79 millions. Investment dealers, with $12.4 millions are close to 80% ahead.

The gains are due both to increased numbers of applications and to larger per capita sales.

To date there have been 550,743 individual applications under payroll savings with an average of $223 per application. A year ago the corresponding figures were 433,482 applications averaging $209 each.

General sales to date have brought out 177,400 applications averaging $513 each against 99,300 applications averaging $515 last year. Over all there have been 728,165 applications up to Nov. 4, averaging $294 each. The same figures a year ago were 532,800 averaging $266.

New Combines Legislation Is Planned For Next Year

(Continued from page 1)

islation is that too many cooks were mixing the broth. The first authority to investigate was initialled by Rt. Hon. J. L. Ilsley as Minister of Justice.

The Department changed heads several times and when the report finally did come through last year end, a completely new man, Stuart Garson had taken over. Because of the Barlow judgment and the nature of the report which was to such an extent based on procedure during wartime price control, the thing was obviously an extremely hot potato. The Government just let the matter drift through election-time and very belatedly (according to Mr. Garson) got four of the principles (Garson, Donald Gordon, Kenneth Taylor and Fred McGregor) together round a common table only on Oct. 22—almost 10 months after the report was presented to the Minister.

The law says clearly that all such reports must be made public within 15 days of receipt by the Minister, unless the Commissioner states in writing that "he believes the public interest would be better served by withholding publication."

This was the hook on which Commissioner McGregor had the Government skewered.

The Minister has no discretion as to whether a report shall or shall not be made public. The only discretion is with the Commissioner.

Now having broken its own law, the Cabinet has assumed full and complete responsibility for so doing.

It did this, according to Mr. Garson because the McGregor report was "in some respects incomplete and therefore misleading."

The Government, says Mr. Garson, decided therefore "not to publish the report or act upon it until the doubts raised had been cleared up."

Another reason given by Garson for nonpublication was the weakened position of the Combines Act due to the Barlow judgment. The Government, he says, took the responsibility of withholding publication pending the amendments to the Act which are now before the House.

Started Back in 1932?

One view expressed here is that the flour-milling controversy really has its genesis back in 1932.

In that year, Fred McGregor, as registrar of the Combines Investigation Act undertook to probe alleged price-fixing activities by the Canadian flour milling companies. In those days he had very limited powers and the investigation was quashed either by Mr. Bennett or one of his ministers. No report saw the light of day.

In any event, within a few hours of price-ceiling decontrol on September 15, 1947, and armed with new and greatly strengthened powers which he gained in 1946, Mr. McGregor moved in on the Canadian flour milling industry.

According to the McGregor report, tabled this week in Commons, although prices had been increased a uniform amount from the wartime ceiling ($4.05 a barrel for flour and $10 a ton on millfeeds), the Commissioner was not able to prove on the basis of this Sept. 15 evidence, that a combine under the terms of the Act existed.

The best that McGregor was able to do was to report that on the basis of what happened that particular week end "there is justification for at least a strong presumption that the amounts of these advances on flour and millfeeds were arrived at by agreement."

Not having been able to establish grounds for a technical conviction following decontrol, McGregor was thus forced back on the period 1936-41 and the period of price control, 1941-47.

Collision With Howe, Gordon

What seems clear is that McGregor lumped these two periods together in order to strengthen his case against the millers. He does this presumably because of the difficulty of prosecuting an industry, say in 1949 or 1950, or later, on the basis of something alleged to have been done a decade or more ago.

When he lumps these two together and includes the price-control period in his indictment, that's where he collides with Donald Gordon and C. D. Howe.

Both Howe and Gordon hit the roof when they first heard about the McGregor report. Their contention: if you indict the flour milling industry for what it did during the war, you indict both of us and scores of industries who were urged, aided and abetted by reason of wartime policy into "combinations" of one sort or another.

Donald Gordon claims he would have asked the Government outright to suspend the Combines Act for the duration of the war if he hadn't had an agreement with McGregor that it was, in effect, in abeyance.

McGregor was Gordon's own enforcement officer under WPTB and in the published correspondence, Garson points put that Gordon stood hostage for McGregor with the assurance to industry "that anything that was done in furtherance of the substance of the policy of the WPTB would be privileged if there were any subsequent prosections under the Combines Investigation Act."

Legal Hairs

Just here is where a lot of fine legal hairs start to get split.

McGregor rests his case on the fact that a search of WPTB files disclosed no written authorizations from the board permitting the flour milling companies to charge uniform prices. Says Garson in rebuttal:

"For the Government in the face of these assurances (by Gordon) to prosecute an industry because it did not have formal written authorization for all of its actions, would leave that industry and all other industries with the impression that if we ever required their co-operation under similar circumstances again, they would have to deal with the Government at arm's length, insisting at all stages upon the most formal written assurances in order to be sure of escaping prosecution under the Combines Investigation Act after the war was over for what they should have done during the war in co-operation with the WPTB and in line with the policy of the board."

For the prewar period McGregor claims to have found what he describes as "in effect a double set of minutes" in the Canadian National Millers Association records.

General rebuttal by the flour milling companies to the allegation of a combine is that such "agreements" as existed, represented "a target to aim at" or a "yardstick of values" or that even if there were agreements in the ordinary sense of the term, they were never carried out; that the continuous and fierce competition within the industry (except in the war years) made any allegations of price-fixing spurious and meaningless.

Look For It Here

Nov. 12, 1949

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ASCOT METALS CORP. has received payment for underwriting on 125,000 shares at 40c a share under agreement with Torny Financial Corp. Issued capital is 2,500,005 shares, leaving 999,995 in treasury.

Talks to Cut Customs Tape Make Progress

OTTAWA (Staff) — Substantial headway is reported here in recent round-table talks at Washington looking towards revision of U. S. customs procedure and regulations. The talks have lasted 10 days; concluded this week.

Out of the talks there has emerged clarification of the limits which U. S. authorities now place on what they intend to do. These limits cover two important points:

1. There is no present intention of the U. S. Government authorities changing the present appeal procedure to U. S. customs courts. That means the executive branch of government at Washington will not tamper with present judicial powers affecting customs hearings and procedure.

2. There will be no rewriting of tariff schedules to improve classifications.

On the last point there is an admission by the U. S. authorities that there are glaring cases of indefensible classifications (carpets classified as lace, etc.).

But to tackle this problem means Congressional action. This throws open not only wording and classifications but also the rate itself. And the administration is quite definitely not prepared to risk this kind of approach at the present time.

Within the limits of these two points it has been clear to Canadian representatives that there is a very keen anxiety at Washington to get on with the job of improving both the administration and the regulations affecting customs procedure.

Both Canadian and British authorities have been asked to assist in giving chapter and verse of procedure in each country by way of seeking a common approach and joint improvement.

Rent Increases Not Cumulative

OTTAWA (Staff)—One point now clarified respecting rent control is that the announced increases of 20% and 25% are not cumulative. The original government statement did not cover this point.

Finance Minister Abbott this week said the over-all maximum permitted increase for unheated accommodation since 1941 will be 30%; for heated accommodation, 40%.

Traffic Deaths in Ontario Increased 17% in 10 Months

Traffic deaths in Ontario, in October, show a slight drop from October, 1948, it is reported. This is the second time that total deaths from motor vehicle accidents in any one month have been fewer this year than last.

A reported total of 79 persons were killed in October's traffic compared with 85 in October 1948. Traffic toll for the first 10 months of the year at 671, is 17% higher than it was for the corresponding period last year.

Of the 79 October traffic fatalities 30 were pedestrians, including 13 children under 15 years old.

Highway officials warn that pedestrian hazards are at a seasonal peak at this time of year, early nightfall and frequent poor weather making for bad visibility, especially during the hours of heaviest traffic. The continuation of daylight saving, later than usual in some areas, is regarded in some quarters as tending to reduce the traffic accident frequency because of the longer period of daylight during the rush hours.

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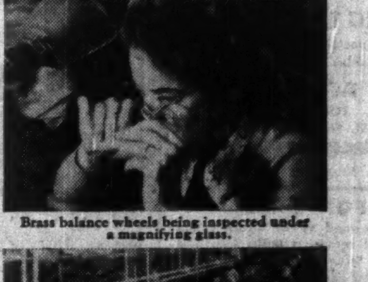
Some of the brass parts of a modern clock. Before processing these were brass strip and rod.
Photographs courtesy Western Clock Co., Ltd., Peterborough, Ont.



Brass balance wheels being inspected under a magnifying glass.

The assembly line in a modern watch-making plant.

A punch press blanking out watch plates.

Keeping Time with Brass

During the last few hundred years great advances have been made in time telling devices. Today, modern precision machines have replaced old-fashioned hand methods and turn out watches and clocks that keep accurate time. Hundreds of Canadians are engaged in the production of watches and clocks—it is a big industry. Like many other industries it is a large user of copper alloys. For example, at the Western Clock Company, Peterborough, Ontario, many of the 200 parts that go into Big Ben and other well-known Westclox timepieces are made from Anaconda Brass.

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CANADA TEA CO. current liabilities amounted to $51,797 at May 28, 1949, compared with current assets of $241,471. In the Nov. 5 issue, current liabilities were given as $51,797,000.

DOMINION COAL CO. reports production for October totaled 387,165 net tons (380,092 a year ago) and for the 10 months to the end of October totaled 3,636,116 net tons (3,705,161).

INVESTMENTS THIS WEEK

Will Rate Hearing Delay Mean Bell Dividend Cut?

Will Bell Telephone Co. of Canada be allowed to increase its rates? If so, how much will the increase be and when?

Speculation on the answers to these two questions resulted in heavy trading in Bell Telephone common in the stock markets recently and a downward drop in its price. In the last part of last week, the common dropped from $42 a share to $40 a share but then recovered to about $41¼ this midweek. The stock has had a high of $43⅝ and a low of $38¾ a share this year.

Principal reason for the sudden drop was the indication that it might be well past the middle of 1950 before any increase in rates, if granted, could be put in effect. Mr. Justice M. B. Archibald, Chairman of the Board of Transport Commissioners, said the Board could not hear the company's rate application until mid-March as it was tied up with other cases. As a result, the Quebec and Ontario municipalities, which plan to oppose the higher rates, obtained an extension to Feb. 15, 1950 to file their protests.

This means that Bell Telephone will not get its case through until next fall, according to J. R. Cartwright, Bell's counsel.

A possibility of earlier action was seen in Mr. Cartwright's further statement that he would seek a meeting with municipal counsel in an effort to come to some agreement by which interim increases in tolls could be approved and to speed the eventual hearing as much as possible. But, in view of the protests, the financial community generally do not expect that he will be too successful in this move.

The delay might mean a cut in Bell's $2 a share annual dividend rate, investors fear. In its application, the company estimated that under present tolls its net profit would fall $4.7 millions short of meeting dividend requirements in 1949 and $8.5 millions short in 1950. The sum of these two figures is in excess of its total surplus which amounted to $12,524,323 at Dec. 31, 1948. As a company shall not declare dividends which will impair its capital, it would appear that the $2 rate could not be continued until the end of 1950 without an earlier increase in rates. Further, with this in prospect, some fear that the dividend rate might be reduced immediately.

Bell's estimates would also indicate that granting of nearly the whole of the rate increase applied for will be necessary to maintain the $2 a share rate. Earnings per common share, which amounted to $2.08 in 1948, are estimated at $1.25 in 1949, $0.86 in 1950 and $0.67 in 1951 under the present tolls, and at $2.74 in 1950 and $2.29 in 1951 when adjusted to give effect to the proposed tolls. Just what trend is expected after 1951 is not indicated.

Bell Telephone common at $41 a share yields about 4.88% on the basis of the $2 dividend rate. In view of the present outlook, the stock is not expected to show much strength until there is some indication of answers to the above two questions.

• • •

Year-end Dividend Bonus Clears Air For Inco Shares

Declaration of the 40c year-end dividend bonus on International Nickel Co. common stock has cleared the air considerably on the near-term market prospects for this issue. In view of downward earnings trend which commenced in second quarter and accelerated in third quarter of this year (when it earned 31c as against 63c in same quarter of 1948) doubts had arisen in investors' minds over possibility of the year-end bonus which has been paid for two years now. This has been said a market deterrent in recent strong market action in industrial issues both here and in the United States.

Now investors are looking at the earnings prospects for the last quarter. On the gloomy side of the picture are possible effects of U.S. steel strike. On the bright side are the recent 7/8c a lb. increase in price of copper and increased export sales revenue arising from currency devaluation.

• • •

Deny Canadian Breweries To Buy Sicks' or Western

Reports that Canadian Breweries Ltd. is acquiring an interest in either Sicks' Breweries Ltd. or Western Breweries Ltd. are not true, The Financial Post is told. "Canadian Breweries aren't interested in either in any way, shape or form," The Post was told.

Basis of the reports was apparently the recent visit to Alberta of E. P. Taylor, Chairman of the Board of Canadian Breweries Ltd. and his partner in Taylor, McDougald & Co., John A. McDougald.

Canadian Breweries common has been strong recently, selling around its high for this year of $24 a share based on these rumors and reports that some other changes are contemplated for the company.

• • •

Hayes Steel Products Sells For Working Capital Value

One company whose common stock is selling at about its working capital value is Hayes Steel Products Ltd. Its annual report for the fiscal year ended July 31, 1949 shows working capital at $2,800,170, equivalent to $31.11 a common share. The stock is selling at about $30.50 a share.

The report also shows equity per share is equal to $46.54, over 52% higher than the stock's current market value. Further this equity is based on the net value of fixed assets after deducting a reserve for depreciation equivalent to over 73% of the gross value, valued on the basis of cost. Also it takes in the investment in shares of other companies (which have no quoted market value) at $55,002 which is obviously a low value as $80,000 was received in dividends from the investment in the fiscal year. (Hayes owns a minority interest amounting to 20% in the Kelsey Wheel Co. of Windsor, Ont. a Canadian subsidiary of Kelsey-Hayes Wheel Corp. of Detroit, Mich. This company manufactures automobile wheels of all types for the Canadian market.)

Another factor which appears favorable for the company is its new tie-in with Borg-Warner International Corp. The two companies jointly have organized a new company B-W-H Service Parts, Ltd. to sell automotive replacement parts throughout the Dominion and directors "hope this will provide additional profit in coming years."

Earnings in the last fiscal year were equivalent to $5.13 a common share as compared to $4.48 in the previous year.

At its current price, Hayes Steel common is selling just under six times earnings for the last fiscal year. However it only yields about 3.27% on the basis of the $1 annual dividend paid. The relatively low dividend paid is one factor holding down the value of the stock, analysts feel.

• • •

Burnett, Ltd. Sale of Rand To Millette Seen Unlikely

There would not appear to be any likelihood of further action on the proposed sale of Burnett, Ltd. of its interest in Rand Service Stores (Canada) Ltd. to R. E. Millette and his group. Burnett shareholders adjourned their special meeting last week until Nov. 14 to clarify the situation regarding the reported offer as the company had no written offer.

R. E. Millette tells The Financial Post that, while he was negotiating for an option on the Rand business, he did not make any written offer for Rand and that he now has no intention of seeking another option or of making an offer.

St. Lawrence Corp. 9 Months Net Off

St. Lawrence Corp. nine months consolidated net profit (before sinking fund on St. Lawrence Paper Mills second preferred stock) amounted to $2,519,514 as compared with $2,781,979 for same period last year.

During the period, 27,638 second preferred shares were retired. As of Sept. 30, 1949, there were 213,117 second preferred shares outstanding.

St. Lawrence Paper Mills Co. net profit for the nine months ended Sept. 30, 1949 amounted to $1,900,281, up from $1,609,770. During the period 21,020 shares of the second preferred stock were retired.

Net profit of Brompton Pulp & Paper Co. for the nine months amounted to $607,335 ($1,049,941).

Reduced profits have resulted from a substantial decrease in demand for sulphate and groundwood pulps and in selling prices of these products, it is said. Another factor was the heavy contributions under the employees' pension plan to provide for past service credits of a large number of employees who have become retired under the plan during the period.

Net profit of Lake St. John Power & Paper Co. for the nine month period amounted to $826,320 ($1,514,095). Profits dropped as a result of reduced demand and price for sulphite pulp, it is said.

Car Financings Up IAC Profit

MONTREAL (Staff) — With volume of business in the first nine months up 40% over the same period last year, directors of Industrial Acceptance Corp. this week declared a quarterly dividend of 50c per common share, an increase from the previous quarterly rate of 37½c. Regular quarterly dividends were declared on preferred stocks.

Main factor in increased business has been the greater proportion of new cars financed through time payments. Motor vehicle financing presented 72.1% of all the retail time sales financed in the nine-month period. Although the percentage of vehicles bought on the time-payment plan has not yet reached prewar levels, this type of business has been showing a steady increase, President J. P. A. Smyth told The Post.

Consolidated net profit for the first half this year was $805,670 ($543,290 a year ago) equal to $26.88 ($18.11) on the 30,000 $100 par preferred shares and $2.87 ($1.90) on the paid-up value of the 260,000 common shares.

Municipal Bonds

Nov. 8, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'55-66	98¼	100¼	3.73
Vancouver	3¾	'69	99	101	3.68
Calgary	3½	'62	99	101	3.40
Edmonton	3½	'60	99	101	3.40
Regina	3	'64	90½	92½	3.65
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg	2¾	'66	93½	95½	3.09
Ottawa	3	'54	101½	103½	2.23
Toronto	2¾	'72	94	97	2.94
Hamilton	3	'60	99	101	2.90
Windsor	2½	'75	72	75	4.05
Windsor	2¾	'75	76	79	4.05
Windsor	3½	'75	88	91	4.05
Montreal	3	'70	91	94	3.41
Quebec	3½	'64	98	101	3.42
Halifax	3	'66	93	96	3.31
Saint John	3½	'65	99	102	[illegible]

Can. Celanese Earnings Up As Sales 25% Above 1948

MONTREAL (Staff) — Sales volume of Canadian Celanese Ltd. for 1949 to date is about 25% ahead of the same period of 1948, reflecting the increased manufacturing facilities available from the expansion program, C. W. Palmer, executive vice-president, tells The Financial Post. The usual seasonal slowing up in sales has been evident, but plants are continuing at capacity in preparation for next spring, Mr. Palmer stated.

Earnings will not be up to as great an extent as sales. Costs generally are up to some extent and in addition the company has set up a pension scheme. Some items, such as wood pulp, are down a little.

Earnings, however, are higher than in 1948 when the company showed a net profit of $5,283,809, equivalent to $10.57 a preferred share and to $3.61 a new common share.

There has been no falling off in prices but the market is very difficult, Mr. Palmer said. There has been a great deal of uncertainty in demand, but Canadian Celanese has been able to follow the shifts very well through switching around their production, he added.

Vigorous expansion of plant and equipment has continued in the current year, with approximately $3 millions spent to increase capacity. This year the company has further expanded its plant at Sorel, Que., opened late in 1947; it has increased the basic production capacity of its yarn plant at Drummondville, and has improved efficiency of the plants throughout the whole operation.

A new research building at Drummondville will be finished this year, Mr. Palmer stated.

Rolland Paper Results Better

MONTREAL (Staff)—Net results for Rolland Paper Co. in 1949 are expected to show a considerable improvement over last year's poor showing, The Financial Post understands.

Economies put into effect this year enabled the company to show a small profit in the first half this year after providing for bond interest, depreciation and preferred dividends, The Post is told. In the third quarter, some slackening off was apparent, accounted for to a large extent by seasonal factors.

Rolland Paper's losses in 1948 followed the sharp drop in sales in the export market. This caused a sudden change from a sellers' to a buyers' market in the domestic field. Wholesalers and other domestic customers found that stocks were piling up because paper ordered several months in advance was being delivered almost immediately. Consequently, they stopped buying until inventories could be cleaned out.

This year there has been a much more orderly sales picture, and although competition is keen, a good volume of business has been maintained, The Post is told. Some new lines have been added, and new equipment installed under the company's $1 million modernization program completed last year has made possible increasingly good quality. However, customers are still placing orders pretty much on a hand-to-mouth basis, which has prevented the company from getting money-saving benefits of long production runs.

There hasn't been any significant relief in the cost of materials either. There has been a $5 a ton reduction in the cost of sulphite in the past year, but cost of rags used in the higher grades of paper in which Rolland specializes has increased. The improvements made in the company's power installations at the Mont Rolland and St. Jerome plants has resulted in lower costs of power from that source, but charges for power purchased have increased.

No major capital expenditures have been made this year. The main program was completed last year, involved an outlay of $498,802 in 1948. It is expected that total capital expenditure in 1949 will be about $100,000.

Company showed a net loss of $162,874 in 1948, a sharp drop from the $330,734 net profit the year before. This year the company hopes to end up in the black once more, although the margin may be very small, it is understood.

Call Meeting On Husky Oil Trust Issues

MONTREAL (Staff)—A meeting of bondholders of Husky Oil and Refining Ltd. has been called for Nov. 29 at the office of the trustee, Montreal Trust Co., Montreal, to sanction certain changes in the trust deed covering the 5½% convertible sinking fund bonds due 1961.

Changes proposed are designed to clarify the powers of the company in carrying on its business, in connection with borrowings, regular trading—buying, selling, leasing, etc., and its ability to enter into agreements for maintenance, exploration, development and operation of properties.

Although the alterations do not add to the company's powers under the trust deed, they set out some of these powers in more specific terms.

Holders of the interim certificates representing the bonds have been advised that proxy forms are available from Montreal Trust Co. in Montreal, Toronto, Winnipeg, Calgary and Vancouver. The bonds were sold as a public offering in July and the final bond certificates have not yet been issued.

Magnus Chem. Opens Warehouse in Toronto

MONTREAL (Staff) — Magnus Chemicals Ltd. of Montreal has opened its new warehouse in Toronto, at Howell Warehouses, 222 Front St. East.

The company has also extended its services to Newfoundland, under the direction of Tom Smythe of Central Services of St. John's.

Neil S. McAllister, Vancouver, has been appointed representative for British Columbia.

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1. Outright ownership or substantial interest in more than 200,000 acres of oil leases and rights strategically located in or adjacent to producing oilfields in the Province of Alberta.
2. 50% joint ownership agreement in and to the oil or gas to be produced from 10,080 acres covering a seismograph high and located approximately 15 miles East of Leduc oilfield. In this undertaking the Company's partner is one of Canada's major oil organizations.
3. 50% interest in and to the oil or gas to be produced from 10,880 acres located 16 miles West of Edmonton and approximately five miles North of the famous Imperial Golden Spike discovery. The acreage involved encompasses a seismograph high and two of Canada's major oil organizations hold the remaining 50% interest jointly with the Company in question.
4. Drilling and production rights covering 40 acre lease which is offset by producing wells on two sides.
5. Under negotiation a 25 2/3% net interest in and to the oil or gas to be produced from 18 well sites (720 acres) located on what is purported to be a Southerly extension of the Leduc field. This acreage covers part of the seismograph high as mapped by a major oil company.
6. 70% interest in and to all oil or gas produced from 180,000 acres (held under Provincial Government Reservation) located approximately 40 miles East of the famous Redwater oilfield.
7. Approximately 8,000 acres (portion of which is considered to be proven oil ground) in the Lloydminster black oil field.
8. A conservative capitalization of 3,000,000 shares, of which more than 800,000 shares remain unissued, although more than $240,000 has already been placed in the treasury.

Immediate Drilling Operations

Under its current development program the Company plans to drill to completion three additional wells between now and the end of the current year. One of the three wells planned will be an immediate offset to current producers. The other two wells are on large blocks of acreage situated on seismograph features.

Our Opinion of this Security

is based on a careful survey which we have made of the Company's affairs. The Company holds widely diversified interests and acreage in the Alberta oil areas. Its financing policy to date has been a conservative and sound one. Preliminary expenditures totalling over $200,000 have now placed the Company in a position to take a prominent part in Western Canada's oil industry. IT IS LOGICAL TO ASSUME THAT FROM THIS POINT ON POTENTIAL PROFITS MAY BE REFLECTED IN THE PRICE OF THE COMPANY'S SHARES.

A detailed and comprehensive report of this Company's affairs will be mailed to you without obligation on receipt by us of the attached coupon.

GEORGE WOODHAMS & CO.
306 C.P.R. Bldg.
Toronto 1
Please send me complete detailed information on "A Junior Canadian Oil Stock with Outstanding Profit Potential."
NAME
ADDRESS

A. M. ROSS L. C. BARRETT

The Bank of Toronto announces the appointment of Mr. A. M. Ross as General Superintendent and Mr. L. C. Barrett as Secretary.

PLANNED SECURITY

Our new booklet will help you budget towards financial independence.

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INTERIM PROGRESS REPORT

on prospecting work
done during 1949 season
on property of

GOLDFIELDS URANIUM MINES LIMITED

1. 25½ square miles of the Company's 143¾ square mile concession prospected by geologist's crew working with Geiger counters, Warsop rock drill, airplane and other modern equipment.

2. Approximately 1700 feet of trenching completed across five radioactive zones.

3. Yellow stain of uranium oxide observed on seven deposits, suggesting that these are of some promise. Geiger readings up to 45 on the 50 M scale of EA-130 Geiger counter have been obtained.

4. Samples taken from the deposits near Nesbitt Lake have varied from less than .03 per cent to 1.10 per cent U308 (chemical equivalent). Average of all eighteen samples brought by the geologist from the field and assayed was .36 U308 (chemical equivalent).

Full engineer's report on this season's activity on the property is now in preparation. Shareholders are invited to write for copies of the report to the offices of the Company.

GOLDFIELDS URANIUM MINES LIMITED
219 BAY STREET, TORONTO, ONTARIO Plaza 4261

MYW

The boy with a pocketful of pennies . . .

: : : isn't satisfied until he has spent all of them.

Grown-ups can be like that, too. A good many overlook the fact that when money is spent, the benefit of its earning power is given up for life. Some expenditures aren't worth that sacrifice. It would be better to save the money and invest it in sound securities and so earn additional income.

As agents, we offer:

	Price*	Yield
Canada Savings Loan, Series 4, 2¾% Bonds due November 1, 1959..	100.00	2.75%
As principals, we offer:		
Government of Canada 3% Bonds due September 1, 1961/66.	103.375	2.65%
Canadian National Railway Company 2¾% Bonds due September 15, 1964/69	100.75	2.82%
Province of New Brunswick 3½% Debentures due September 15, 1965	99.25	3.56%
City of Fort William 3¼% Debentures due August 15, 1960 to 1964.	100.00	3.25%
City of Hull 3½% Bonds due February 1, 1963	98.50	3.64%
City of Lachine 3¼% Debentures due November 1, 1964	99.50	3.29%
Canada Steamship Lines, Limited 4% First Mortgage Bonds due December 15, 1966	102.50	3.80%
Silverwood Dairies, Limited 4% General Mortgage Bonds due July 2, 1971	93.00	4.51%

**The prices mentioned are "and accrued interest" and subject to confirmation.*

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MANAGED INVESTMENT

Bell Telephone Co. Shares Bought For Compton Fund

Mr. Compton's expected annual income has been boosted to new high as a result of a recent bond-to-stock switch. Annual income is now $863.88 as compared with only $393.75 when Mr. Compton's account was taken over on Dec. 15, 1944.

The Compton Fund Transactions

Purchase

No. of Shares	Security	Cost Price	Amt.
5	Bell Telephone	$42	$418
5	Bell Telephone	41	

Sales		Selling Price	
$300 Dom. of Can. 3%, 1957-60	....	$103	$312.94*

*Includes accrued interest amounting to $3.94.

Compton's Manager Says:

Mr. Compton's expected annual income has been increased (after year-end dividend adjustments by Kerr-Addison and Hudson Bay Mines) to a new high of $863.88.

The Bell Telephone Co. has applied to the Board of Transport Commissioners for approval of higher rates. If approved, the over-all increase would be 20.6%. It is estimated that after taxes the resulting increase in net profit for 1950 would be some $14.2 millions. The Board, however, has announced that the applications will not be heard until the early part of next year. This late date for hearing has been a major market factor in recent easiness in the stock.

As a shareholder of Kerr-Addison Gold Mines Ltd., Mr. Compton should know that a dividend of 18c a share has been declared payable Dec. 29. This will bring total dividend payments this year to 60c a share, compared with 18c a share last year.

Mr. Compton should also know that Hudson Bay Mining & Smelting Co. has declared a dividend of $1 a share, payable Dec. 19. Dividend payments in 1949 will therefore amount to $4 a share, as compared with $5 a share last year when a bonus of $1 was paid. Net earnings for the first nine months of this year amounted to $9,716,282, equal to $3.52 a share. This compares with $11,610,457 equal to $4.21 a share for same period of last year.

As between Dec. 15, 1944, when Mr. Compton's account was taken over, and Nov. 5, 1949, the following is the broad change in the position:

	Dec. 15/44 Principal Sum	Nov. 5/49 Principal Sum
Bonds	....	$1,858.60
Common stocks	$6,661.25	5,612.41
Preferred stock	925.00	4,944.00
Mining stocks	1,750.00	1,413.50
Cash	663.75	64.75
	$10,000.00	$13,893.26

B.C. Power "A" Quickly Sold As Expansion Pushes Ahead

MONTREAL (Staff): A rapid oversubscription is reported to last week's offering of an additional issue of 240,000 Class "A" shares, no par value, of British Columbia Power Corp. at $27.50 a share. Subscriptions were said received for about three times amount of stock offered.

The company's consolidated net earnings of $929,072 for the eight months ended Aug. 31, 1949 as against $2,548,485 for the year ended Dec. 31, 1948 were affected by a water shortage which sharply reduced operating results in mainland electric service. Revenue loss and added expenses, totaled about $780,000. When discounted for income taxation, there was an estimated adverse effect of $483,000 on the earnings for the eight months, the prospectus states.

The first unit of the Bridge River Hydro-Electric development came into operation in October 1948 and the second unit May 1949, so that revenues from the latter have been reflected in the eight month earnings for only a short time. The third Bridge River unit of 62,000 hp is expected to come into operation early next month.

At Ruskin a third unit with a capacity of 47,000 hp, under construction, is expected to be in operation by autumn of 1950.

An interconnection with the power pool in the northwestern United States was completed in August, 1947, and was first used to take care of the Lower Mainland system's additional requirements until these could be met from Bridge River. To the extent that B.C. Electric may have energy surplus to requirements the interconnection can be used to transmit such surplus to the northwestern power pool. Since July, 1949, there has been delivered, under contract, 30,000 kw to member companies of the pool which contract is bringing in revenue at the rate of about $1 million a year, it is stated.

To meet possible additional requirements for power on Vancouver Island, an interconnection with the B.C. Power Commission system is under construction, for completion in 1950.

The company and its subsidiaries had contracts and commitments for construction and other capital expenditures totaling about $11 millions at Aug. 31, 1949.

Lib. Beauchemin New Bond Issue Said Selling Well

MONTREAL (Staff): Sale of the new issue of $2.5 million bonds of Librairie Beauchemin Ltée is progressing very well and more rapidly than was expected in view of the fact that the issue is "retail issue," The Financial Post is told.

Librairie Beauchemin Ltée recently purchased all the outstanding shares of Dupuis Frères Ltée, Montreal department store and mail order house, for $2,880,000 from Raymond Dupuis of Montreal. This company in turn owns the outstanding 19,992 common shares of Dupuis Frères Ltée (Quebec) which on June 20, 1949, had a book value of $5,105,918.

Librairie Beauchemin itself has been purchased by Raymond Dupuis, president of Dupuis Frères who now holds complete control of the Beauchemin company.

Company operates a large printing and publishing business in Montreal, is said to be largest publisher of French books in Canada.

Its wholly owned subsidiary, Dupuis Frères Ltée, has been engaged in a modernization and expansion program which had cost $2,310,481 from its start in July, 1947, up to June 20 this year. The work included construction of a new 6-story addition to its St. Catherine St. department store. A similar addition also adjoining the main building, will be completed toward the end of this year. The two additions have increased floor space by 100,000 square feet. Cost of work still to be completed is estimated at $883,000.

In addition to the new bonds, consolidated funded debt consists of a 4½% note due 1965; $1,196,250 4% first mortgage on St. Catherine St. property due $18,750 semi-annually and $727,500 Feb. 1, 1962; $1 million 4¼% debentures due 1965. There are 21,250 $1 class A shares, no par value and 21,250 $1 par class B shares.

According to the pro forma balance sheet in the prospectus, fixed assets after depreciation amounted to $133,088 for Librairie Beauchemin and $5,658,079 for Dupuis Frères at at June 20, 1949.

Earnings Hold For Can. Loco.

MONTREAL (Staff) — Both the operations and earnings of Canadian Locomotive Co., Kingston, Ont., to date in 1949 are on a par with those for the same 1948 period, President W. J. Langston tells The Financial Post. In 1948 the company had a net profit of $1,017,315, equivalent to $6.37 a common share.

There is sufficient work on hand to keep operations going beyond the first quarter of 1950, Mr. Langston states. Within the next month or so, the outlook for export orders for next year for steam locomotives is expected to be clarified so that the company will know better where it stands, he adds.

The industrial division of the company is being further developed and its work is increasing, Mr. Langston states. This division manufactures mining machinery and cannery, chemical and oil refinery equipment.

Can. Iron Found. Outlook Seen Good

MONTREAL (Staff) — Prospects for Canada Iron Foundries, Ltd. are very encouraging, President and General Manager W. J. Langston tells The Financial Post. Business in sight is sufficient to carry the company into the third quarter of next year, he added.

For the year 1949 to date earnings show very slightly lower than for the similar 1948 period but the company should wind up its year to show about the same earnings as last year, Mr. Langston said. In 1948 Canada Iron Foundries showed a net profit of $879,009, equivalent to earnings of $29.75 a preferred share and $2.05 a common share.

CITY OF LETHBRIDGE

TENDERS FOR DEBENTURES

SEALED TENDERS, MARKED "TENDER FOR BONDS," will be Received by the Undersigned up to Four P.M. Mountain Standard Time Monday, November 28, 1949, for the Purchase of

$94,249.56

CITY OF LETHBRIDGE 4%-20 Year ANNUITY BONDS

Equal Annual Payment of Interest and Principal, PAYABLE in TORONTO, MONTREAL and LETHBRIDGE.

DATED July 1—1949
MATURING July 1—1969

ISSUED for Local Improvements. Concrete Side Walks—Curbs and Gutter.

Lethbridge Delivery Payment

The Highest or any Tender not Necessarily Accepted.

For Further Particulars Apply to:

T. H. FLEETWOOD,
CITY TREASURER.

HUGH R. HORNE,

internal auditor, Powell River Co., has been elected president, Vancouver Chapter, Institute of Internal Auditors.

Bond Yields Off Slightly

The 40 bond yield average as compiled by McLeod, Young, Weir & Co. on the basis of bond prices as at Oct. 31, 1949, was 3.37%, slightly lower than the composite average of 3.41% reported Sept. 30, 1949.

The yield average for all groups was fractionally lower. Current bond yield average compares with 3.43% six months ago at end of April, 1949, and 3.43% a year ago.

Here is the performance of the yield average for each of the four separate groups of bond issues comprising the composite average.

McLeod, Young, Weir Bond Yield Aver.

	Oct. 31/48	Sept. 30/49	Oct. 31/49
10 Municipals	3.52%	3.57%	3.56%
10 Provincials	3.19%	3.14%	3.07%
10 Utilities	3.46%	3.34%	3.32%
10 Industrials	3.55%	3.59%	3.53%
40 Bond Average	3.43%	3.41%	3.37%
Average maturity	†	†	‡
	▲	.....	♦
Dominion 3/1966	2.96%	2.78%	2.76%

†16 years. ‡15 years.
▲9 months. ♦11 months.

Robt. Mitchell Co. To Move To St. Laurent, Profit Up

MONTREAL (Staff) — Robert Mitchell Co. has sold its Belair Avenue property in Montreal to the Dominion Government and will move its entire operation to its St. Laurent property, St. Clair C. Holland, president and managing director, tells The Financial Post. It has owned the Belair Ave. property for the last 47 years.

At St. Laurent the company will construct a new building containing 70,000 square feet of floor space as an addition to its present building. Footings for this building are already in place and steel construction is expected to start by next week.

With all its operations concentrated in one place, substantial economies in operating expenses are expected, Mr. Holland states. The new plant at St. Laurent was erected in 1941 with the idea eventually of having all the company's activities there.

Cost of the new building and of the move will be around $500,000, Mr. Holland states. Price received for the Belair Avenue property will about equal this cost.

Already two branches have been moved out to St. Laurent and part of the Belair Avenue property taken over by the Department of National Defense. However, Mr. Holland expects that it will be next July before Robert Mitchell Co. have been completely moved.

Business of the company has been considerably better than in 1948, and earnings will be substantially better than last year, Mr. Holland states. In 1948 the company showed a net profit after taxes of $94,742, equivalent to $1.31 a common share.

The policy of the company under normal circumstances will be to try to maintain the rate of dividend paid this year, rather than vary the rate in accordance with earnings, Mr. Holland stated. In this way the company would normally expect to continue the $1.50 total dividend rate paid this year at times when earnings fall below this rate, in so far as it is feasible to do so. The company feels that a standard dividend basis is more acceptable to the average shareholder than a fluctuating rate, Mr. Holland explained.

The company has had good reception this year to its Mitchell-Clerk aluminum windows and expects shortly to market a cheaper aluminum window, on which it can get mass production.

When operations are moved to St. Laurent the company plans to condense business of the foundry division slightly and use part of the foundry capacity for its subsidiary, the Garth Co. whose business this year has been good.

Short Position Drops on T.S.E.

Semi-monthly short position report of the Toronto Stock Exchange as of Oct. 31 shows aggregate short positions, eliminating odd lots, on the books of member firms at 448,945 shares of 150 issues, compared with 516,680 shares of 144 issued on Oct. 15.

Largest net changes in individual mining stocks were:

Stock:	Change	Stock:	Change
Eldona	—13,000	Upper Can.	—6,500
Donalda	—11,800	D'Aragon	+6,500
Chesterville	+7,800	Wiltsey Cog.	—3,000
Boymar	—7,000	Hasaga	+5,000

Largest changes in industrial stocks were:

Stock:	Change	Stock:	Change
Abitibi	—1,800	M'sey-Harris	—450
Cons. Paper	—1,400	Dom. Found.	+400
CPR	—975		

Here is the complete short position.

Stock:	Shares	Stock:	Shares
Abitibi	3,625	Int. Nickel	765
Algoma Steel	550	Int. Paper	975
Aluminium	115	Joliet-Que.	6,500
Anglo-Candn.	700	Kerr-Addison	1,550
Argus Corp.	700	Kirkland Lake	1,800
Arjon	1,000	Labrador	5,000
Atlantic Oil	2,000	Lake Dufault	500
Atlas Steel	700	Lake Lingman	1,000
Aumaque	4,000	Lake Shore	200
Bankfield	1,000	Lamaque	100
Base Metals	7,500	Leitch	1,500
Bell Phone	575	Macassa	2,600
Bidgood Kirk.	500	MacDonald	12,000
Bonetal	16,000	MacL. Cock.	1,300
Bordulac	500	Madsen R. L.	2,800
Boymar	3,000	Malartic G. F.	4,400
Brazilian	300	Massey-Harris	900
B. A. Oil	150	McColl-Front.	200
B. C. For. Prod.	700	McIntyre	50
B. C. Pwr. A	25	McKenzie R L	7,500
Broulan	1,000	Mining Corp.	1,100
Buff. Anker.	2,400	M. & O. Paper	200
Cal. & Edmon.	1,900	Negus	500
Campbell R. L.	500	New Calumet	1,000
Can. Cement	250	New Jason	2,700
Can. Nor. Pow.	125	New Marlon	6,000
Can. St'mships	300	New Norzone	7,500
Cdn. Brewer.	2,000	Nicholson	9,600
Cdn. In. Alc. vot	650	Noranda	20
do B	200	Normetal	7,900
Cdn. Marconi	100	North Inca	3,000
CPR	1,295	O'Brien	800
Cdn. Vickers	100	Okalta	2,600
Cent. Leduc	800	Orange Crush	400
Ch. Research	500	Osisko	29,400
Chesterville	15,300	Pacific Pete.	1,200
Cochenour	1,400	Pamour Porc.	200
Cocksh't Plow	200	Pend Oreille	4,400
Cons. Duq'sne	6,300	Pioneer	500
Cons. Lebel O.	9,000	Porc. Reef	500
Cons. M. & S.	655	Powell Rouyn	2,000
Cons. Paper	400	Preston	5,400
Croinor	5,000	Q. Labrador	5,000
D'Aragon	6,500	Reeves MacD.	1,000
Dalhousie Oil	1,500	Royalite Oil	200
Decalta	500	Roybar	1,500
Discovery Yk.	500	San Antonio	1,700
Dome	400	Sherr. Gord.	33,200
Dom. Coal pr.	200	Silanco	5,500
Dom. F'ndries	400	Silver Miller	5,000
Dom. Magnes.	100	Sladen Mal.	3,500
D. Stl. & C. B	1,450	Stadacona	500
Donalda	4,700	Starratt	3,500
Donnacona	200	Steel of Can.	140
Duvay	1,000	Steep Rock	8,300
East Malartic	2,800	Sullivan Con.	1,100
East Sullivan	10,500	Taku River	1,000
Eldona	25,200	Teck-Hughes	500
El Sol	1,000	Torbrit Silver	1,000
Eureka	3,800	Tower Pete.	4,500
Falconbridge	100	Traders Fin. A	150
Fanny Farmer	70	Union Gas	100
Federal Grain	700	Union Mining	1,000
Foothills	1,500	Un. Keno Hill	7,900
Ford Motor A	200	Upper Can.	28,100
Frobisher	200	Ventures	500
Giant Yk.	7,100	Waite Amulet	1,000
Gillies Lake	500	Walkers G & W	440
Globe Oil	1,000	Wiltsey Cogh.	500
Golden Man.	16,600	Wpg. Electric	850
Gt. Lakes Pap.	200	Winora	500
Hasaga	5,000	Wright Harg.	700
Hollinger	100	Y'knife Bear	500
Hosco	1,500		
Hudson Bay	350	Total	448,945
Imperial Oil	800		

ARJON GOLD MINES has received payment for 50,000 shares at 20c a share, part of Nov. 1 installment under agreement with Davidson Securities Ltd.

Grant Johnston & Co.

Members
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
CANADIAN COMMODITY EXCHANGE INC.

TELEPHONE MA.6184

485 McGILL ST., MONTREAL

TENDERS

Tenders will be received by the undersigned for a six-ton truck, with hydraulic brakes and dump. Tenders to be received until November 12th, inclusive, and lowest of any tenders not necessarily accepted.

J. L. DE BLOIS, Clerk,
Cochrane, Ont.

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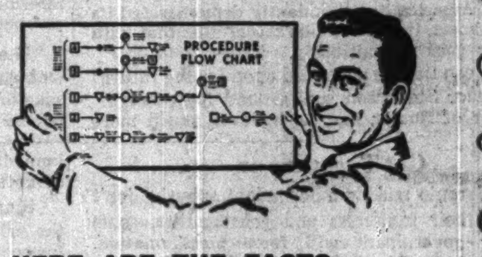

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NORANDA MINES LIMITED
holds an enviable position in Canadian mining industry

Noranda, a leading Gold and Base Metal producer, with substantial interests in other producers, controls certain large industrial companies which use its raw materials. The Noranda story is told in our November "Investment Securities Review" which will be sent to you on request.

Also contained in "Investment Securities Review"

are the approximate prices and interest or dividend income from Canadian Government, Municipal and Corporation Bonds, as well as leading Industrial Preferred and Common Stocks and Mining and Oil Companies' shares. It is a very handy reference for investors and "traders". Write for a copy.

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These bonds having been sold privately, this advertisement is published for record purposes only.

New Issue

$1,500,000

Nova Scotia Light and Power Company
Limited

23-Year First Mortgage Sinking Fund Bonds
3½% Series due 1972

To be dated November 1, 1949 — To mature November 1, 1972

Price: 101.57 and accrued interest

Royal Securities Corporation Limited

Montreal Toronto Halifax Saint John Quebec Ottawa Hamilton
Winnipeg Calgary Vancouver Charlottetown St. John's, Nfld.

Is U. S. Isolationism Dead?

Is U. S. Isolationism dead?

No question is more important to the survival of our free society.

Adlai Stevenson, governor of Illinois, director of the Council of Foreign Relations, editor, lawyer and economist, seeks to give an answer to that question in the New York Times.

His finding is not too reassuring.

Isolationism "old style" he believes is dead, but isolationism new style may come into being. Isolationism old style is the belief that America "could live alone and like it; that we could live secure and prosperous behind our barricades of ocean and within our continent of plenty."

"The first world war was a shock, but not a lesson. President Roosevelt's call for a 'quarantine of the aggressors' on a windswept bridge in Chicago in 1937 was a voice in the wilderness. The munitions investigations, the Neutrality Act, the arms embargo, the poll-sters all showed that millions hoped and believed we could sit out World War II. Thousands of wishful thinkers rallied to the isolationist standard, 'America First.' One vote saved the Selective Service Act when Europe was already in flames. And the record shows that a U. S. Senator from the Middle West was assailing the 'warmongers' notion that we were in jeopardy before an America First rally in Pittsburgh at the very moment the Japanese were bombing Pearl Harbour."

Certainly at present there is nothing lacking in America's internationalist policy. In the United Nations, the Atlantic Pact, in Marshall Aid, in the Mutual Defense Pact, in the second peace-time Selective Service Act, and in many other ways, America has abundantly demonstrated its great heart, its wisdom, its recognition that with power goes responsibility.

But can that be depended upon for the future? Governor Stevenson sees ground for concern.

Fear of Russia, has, he believes, much more to do with America's current lack of isolationism than conviction that peace and prosperity is indivisible.

"Policy based on an anti-Russian crusade involves great dangers. Defense and economic aid might be sharply altered at the first sign of a truce in the cold war. If we wobble in accordance with the aggressiveness of their actions and pronouncements, the man in the Kremlin will exercise undue influence upon our policy . . . If our policy cannot stand on its own feet independent of the whims of the Kremlin we run the risk of withdrawing into economic isolation the moment the immediate military threat disappears. The Red scare and our preoccupation with Communists rather than the causes of communism are not reassuring."

Another source of isolationist infection is the enormous cost of America's internationalism. The cry for government economy and for tax reductions is bound to come. Even those who profess anti-isolationist principles are or can easily become isolationists in fact, because they aren't willing to continue paying the costs of internationalism.

"While we have learned that peace is indivisible, have we also learned that prosperity is indivisible?" the writer asks. His reply, "I doubt it."

Biggest danger, he sees, is the irresponsible, unscrupulous politician who will preach the gospel of "eating our cake and having it too"; who will shout for no more paying the costs of internationalism and pretend that peace and prosperity don't cost anything.

"The eagle, not the ostrich, is our national emblem," says Stevenson. We hope for the sake of the world that the Governor's fears will not be realized.

Get Together or —

If Toronto and its independent suburbs don't settle their squabbles and get together, some senior government will force amalgamation. That was the blunt warning of Reeve Gardiner of fashionable Forest Hill village to members of the Ontario Property Owners' Association in Toronto last week.

It's good to hear that sort of plain speaking coming from a public official and especially from one in the field most concerned.

The present situation in and around Toronto, and duplicated at scores of other centres of population throughout Canada, is ridiculous and wildly extravagant. With the exception of a few high-class and well-planned suburbs, practically all the built-up municipalities surrounding our larger cities would be better off closely merged with their parent body.

For all practical purposes they are one community and they would be cheaper, better and much more attractive places in which to live if they developed as a single unit. In any case their ordinary public services such as fire and police protection, water, sewage, transportation and school systems should be merged.

A tremendous and immediate saving would be possible here as well as much greater efficiency if integration was carrried out properly and every unnecessary job and service eliminated.

Contrary to what some little patriots would have us believe, the average citizen does not greatly care on which side of municipal boundary he happens to live. He has no particular loyalty to any one suburb or ward. At least he will not be willing to put up with a lot of inconvenience or pay extra taxes just to maintain a separate municipal organization.

When this average citizen realizes that under our present system either he is paying far too much for his public services or is forced to do without, he is going to swing quickly toward the metropolitan plan. When that time comes, and it is coming more quickly than many of us seem to think, then the little ward patriots would do well to get out of the way quickly or clamber aboard the bandwagon.

Living Beyond Our Means

Western Europe is living beyonds its means and North America instead of heeding the lesson is following the example. That's the pessimistic conclusion of Whaley Eaton Service of Washington. It says:

"The basic problem is the same in France as in Britain. It is progressively becoming identical in the U. S. and elsewhere. Politicians induce the people to believe that they can vote themselves bonuses in excess of what they earn. These bonuses may take the form of pensions, of subsidized food, of health benefits or other hand-outs. They all come back eventually to the same thing, namely, a promise by the state that political power can produce something for nothing. The entire resources of a nation are made expendable for the achievement of this purpose."

Individually most honest people readily understand that when they continuously spend more than their pay cheque they are heading for trouble. No matter how they would like to have some extra luxury, whether it be a bedside radio or a high powered yacht, most of them realize that they have to be able to raise the necessary money. But when some vote-seeking politician promises the moon, they never seem to think that sooner or later they will have to pay for it. That sort of childish nonsense is responsible for some very grave trouble in the world today.

Socialism Comes High

It may be too much to hope that the Socialist doctrinaires will ever be willing or able to comprehend facts. But there are a few about the results of their nationalization schemes in Britain that should make them to think.

The nationalized coal industry, both in 1947 and 1948 failed to reach the modest targets set for it.

After two years in which the workers worked in "their own" pits, output per man was 30 tons less than in 1939 despite important advances in mechanization.

In 1948 absenteeism was 11.6%. In 1939 it was 6.9%.

Despite the frantic recruiting program the 1948 target was missed by 24,000 men and during the past half of 1949 the total number employed in the industry fell by 4,000.

In the first years of nationalization the railways lost £25 millions.

In three years, civil aviation lost £30 millions.

In the first year of nationalization, cable and wireless profits were £1.7 million. But in the immediately preceding period under private operation, profits had been £3.5 millions.

Since electricity was nationalized in 1948 the price has risen in many areas 15-20% and for some there is an additional substantial surcharge.

There's part of the British record. Yet the determination to push the iron and steel bill seems as firm as ever, and the Socialists cling to their gospel that government must run everything.

Surely somewhere in the Socialist party of Britain and Canada is a mind which can comprehend the folly of their course. Have they no men of sense and courage?

The Butter Story — Part II

Only a few weeks ago Mr. Gardiner was boasting in the House of Commons of the way butter was selling. The federal Agriculture minister painted a rosy picture of eager buyers snapping up available supplies at the fixed government price. But makers of margarine, he suggested, were having a tough time and they had been forced to cut prices several times to keep their product moving.

Now we hear a different story from Ottawa. Instead of the eager housewife snapping up the butter, we find that the major buyer has been the Department of Agriculture with the necessary money, of course, put up by the taxpayer. Exact details of the amount are still not revealed, but an estimate of 60 million pounds has not been denied. The Government announces that this butter is for sale at approximately 60 cents per pound, but again is rather vague about actual buyers.

As The Financial Post suggested, when Mr. Gardiner made his first statement a few weeks ago, he revealed only part of the story.

Don't Miss This Bet

How's your employee suggestion system? Have you or your workers forgotten about it?

A report based on results in ten major U. S. industries reveals that it is not unusual for employee ideas to save companies $200,000 to $8 millions a year. Awards for a single idea ranged from $10 to $3,000. Total payments for ideas were an estimated $2.5 millions. The U. S. Federal Government got 83,000 suggestions; it adopted 16,000 and saved over $15 millions.

Observation in Canada suggests that suggestion systems in a great many companies are pretty casual to say the least.

But they deserve attention. Above all, employees need to be constantly reminded of their existence.

Some really good idea will occasionally result. But the day-to-day value of an honest-to-goodness system is even greater. It is in developing a healthy mental and emotional relationship between worker and management. As partners in production, both should have the same interest in increasing production and the efficiency of production. The worker actually doing the job will usually be in a better position to spot opportunities for improvement.

The fact that many workers are indifferent, fear improvements, reject the attitude of partnership, is discouraging. But that is not a good reason for management failing to use all means in its power to promote healthy relationship.

Should Mesh These Gears

Two ways to increase sales and maintain employment are suggested by Dean G. Rowland Collins of New York University.

A. Earmark a larger share of retained earnings for market expansion, advertising and product innovation.

B. Use a lesser share of such earnings for increased output of present product lines.

Dynamic company growth lies in the right combination of product innovation and hard-hitting advertising. Merely to possess a patent is useless these days unless a wide market is found speedily. Conversely, stepping up advertising on existing lines may merely force the market for a time. The two approaches are not alternative, but complementary.

What Dean Collins suggests, in an important address to the U. S. Association of National Advertisers is that individual companies should set up what he terms a "Fund and Reserve for Product Development and Promotion." This funded reserve should be adequate, not only to perfect and test new product innovation, but also to carry on effective advertising of these products during the time when current returns from their sales cannot be expected to carry their costs.

Here's an area in which advertising and production efforts might well be co-ordinated. The willingness of successful corporations which are among our top national advertisers to invest huge sums in product development should ensure at least serious consideration for Dean Collins' suggestion.

Napier Moore's Scratch Pad

AFFAIRS OF STATE as candidly discussed in the Canadian House of Commons and recorded in Hansard, October 26, A.D. 1949:

Mr. Mitchell (Minister of Labor): The hon. member for Peterborough West is talking as a businessman, and I appreciate that fact; and I think he will agree with me that most government businesses are run in reverse, even the restaurant.

Mr. Fraser (Peterborough West): Unbusinesslike.

Mr. Mitchell: There you get a $2 meal for 75 cents. I do not go there often.

An Hon. Member: Why?

Mr. Mitchell: For obvious reasons. I will let the hon. member draw his own conclusion.

Mr. Abbott (Minister of Finance): To keep your girlish figure.

* * *

"IN BED LAST NIGHT," writes Campbell L. Smart of Montreal, "I read your story about the MacMotzfeldt tartan, and chuckled because it brought a touch of long ago back into my veins. Eric is not the first Dane who brought fame to the Black Watch.

"In the winter of 1916-17 I was a sergeant in the Black Watch stationed at Guy Street Barracks; quite the most immature sergeant in the entire Canadian Army. I was on duty one day when a rather dejected-looking recruit came in from New York. He spoke broken English and turned out to be a Dane named Thomas Dinesen. A short while later we started overseas, I by this time being Company Sergeant Major and having certain paper responsibilities, including some censorship of mail. I began noticing letters to the Danish Royal Family, to princesses, etc., and suspected that our new recruit was not quite as scruffy as he looked.

"Passing hurriedly from England to France our Dane began showing his true colors. He turned out to be quite one of the most fire-eating guys the Germans ever bumped up against, ending up with his Commission, the French Croix de Guerre and the V.C. He didn't come back here after the war but immediately returned to Denmark. When the Germans invaded Denmark in 1940 Tom went underground, and, according to all we can learn, fought them as hard in 1940 onward as he did when he gained his V.C. in France."

* * *

ANOTHER MONTREAL EXECUTIVE tells us that while in Paris a short time ago he was told by an official at the Canadian embassy that the trade balance between Canada and France was ten to one in our favor. Last week he went into a well-known cheese shop in Montreal and asked for some French Camembert. To his surprise he was told they had received no French Camembert since the war. He was offered American Camembert. Fit to be tied, he wants to know why precious U. S. dollars are being spent on imported American cheese when France, with plenty of real Camembert, and so adverse a trade balance, isn't getting any over.

We consulted our food expert, Bert Huston, editor of Canadian Grocer. Bert inhaled deeply and in one outgoing breath said, "Of the 1,364,000 pounds of cheese we imported in the eight months up to August, we bought only 394,000 pounds from dollar countries—203,000 from the U. S. and 191,000 from Argentina. We bought 11,913 pounds from France; 227,000 from Denmark; 151,000 from Italy; 30,000 from the Netherlands; 29,000 from Norway; 516,000 from Switzerland. But if you're asking why we don't buy more French Camembert I cannot tell you. It may have something to do with price, but I do not know."

* * *

From Inland Printer we learn that the presses turning out a new Macmillan book, "Double Muscadine," had to be stopped. A pressman noted that one of the characters was reaching for a "leg of fried children." Enquiry revealed that it should have been a "leg of fried chicken."

* * *

NO DOUBT WE'LL SNAP OUT of it, but at the moment we suffer from an inferiority complex.

During the past few weeks we have listened to quite a number of our friends tell, almost gloatingly, how they were suddenly smitten by a much more than ordinary germ; how the doctor, a brilliant fellow, after profound study diagnosed the trouble as an infection bearing a name so impressive that we cannot spell or pronounce it; how he prescribed new and rare drugs, and how, amid general rejoicing, they had been restored to health in three or four days—though, mind you, they still felt a bit wobbly.

The other day we were smitten. Sorely smitten. We tottered home and crawled into bed. Being summoned, our doctor was remarkably calm about the whole thing. He finished his dinner before coming to see us. When he did arrive he gave us a few thumps and pokes and light-heartedly said, "What you've got, chum, is old-fashioned La Grippe." We were stunned. It's years since we heard anybody use that archaic term. Then he turned to our wife, said "Pour liquids into him" and stalked out humming a gay tune.

Mind you, we still feel a bit wobbly.

Stop Me If—

"What kind of a saddle do you want?" the cowboy asked the Dude. "With or without horn?"

The Dude pondered a moment before answering: "Without one, I guess. Doesn't seem to be much traffic on these prairies."

* * *

A wealthy Detroiter, returning from his grand tour abroad, was asked by an artistic friend whether he had managed to pick up a Van Gogh or Picasso abroad.

"Naw," said the traveler. "They're all left-hand drive and I got three Buicks anyway."

Cartoon by Grassick.

LET'S HOPE THEY CAN CONVINCE THEM

Post Scripts

More Than a Stunt

The average Toronto businessman gets a lot more out of life than his New York counterpart.

That's the opinion of the new president of the Association of Canadian Advertisers, who has done business in both places.

MR. TRENHOLM

Lee Trenholm closed the door of his New York public relations business 11 years ago to come to Toronto as Underwood Ltd.'s director of public relations. Now in a similar capacity with Provincial Paper Ltd., he announces himself as "bullish" on his adopted country.

Today he sees a significant evolution taking place in management's concept and use of the public relations tool. The day is passing when the public relations director's activities ended with press-agentry and the staging of "stunts." Now and in the future, he believes, the man in charge of these activities will have a voice not only in how to get things said about the company, but also in what should be said or done. That involves a seat closer to top management, an influence on company decisions.

The transition isn't complete yet. Trenholm says there are still many Canadian firms in which top management is too wary of talking. They let others, who may not be friendly to their interests, get the story out first.

The "stunt," or dramatic presentation of an idea, retains a legitimate place in public relations activities, Trenholm feels. His past activities along this line would fill an interesting evening's conversation.

While in business for himself in New York, he handled publicity for Wiley Post's second flight around the world, having earlier persuaded Post to wear a white patch over his sightless eye to achieve a more eloquent photograph.

To publicize a four-nation (U. S., Canada, Britain, and France) celebration in connection with the restoration of Fort Niagara, he had 12 Indians run nonstop (in relays, accompanied by a bus in which they could rest) from Niagara Falls to the White House in Washington, bearing, as an invitation to President Roosevelt, three grains of corn and a buckskin pouch.

Other clients of his New York firm included the Explorers' Club, the Shippee-Johnson Peruvian Expedition, Ruth Nichols Solo Trans-Atlantic Flight, the Aviation Corp., Wine and Food Society, National Business Show (New York and Chicago) the International Typewriting Contest, and Underwood Corp.

Trenholm's christening in public relations work was with Bruno & Blythe Associates, the New York firm best known for its handling of the Lindberg-Paris Flight.

Before that he was a newspaperman, working on Washington, D.C., New York, Charleston, S.C., and Houston, Texas, dailies, as well as with NEA service in New York. At one time he was the youngest correspondent accredited to the Congressional Press Galleries at Washington.

Born in Nyack, N.Y., 50 years ago, he was educated in New York City and at preparatory school in Alexandria, Va.

When Trenholm gets time out from business and from his many associa- activities, he likes to get outdoors to fish and shoot birds.

His first Muskie was his largest, a 30 pounder caught 10 years ago at Belmont Lake, Ont., on a Friday the 13th.

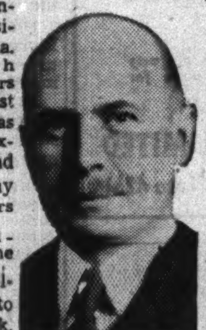
Now that he has taken over the presidency of Canada's top advertiser association, he sees the major task ahead to be an explanation to the public of advertising's function in the economy. Briefs presented by some other organizations to the Massey "culture" Commission show misunderstanding on this score, he says, and one matter he intends to discuss with his directors is the possibility of ACA itself presenting a brief to the Commission.

Mrs. Trenholm is known professionally as Miss Irma Wright, champion speed-typist and now director of education for the Royal Typewriter Co.

* * *

Canada's Youngest?

Of medium height and build, bald with close cropped moustache and a friendly twinkle in his eye, Major-General Albert Bruce Matthews recently elected president of the Excelsior Life Insurance Company is probably the youngest life insurance president in Canada. But though young in years (he was 40 last August) he has a broader experience behind him than many men 20 years older.



GENERAL MATTHEWS

Originally trained in the investment business in Toronto and New York, Bruce Matthews was a partner in his late father's firm Matthews & Co., Toronto, when the war broke out. For some years he had been an artillery officer in the nonpermanent militia and transferring to the active army he went overseas in January, 1940, in command of a battery. From then on his army career was of the kind that many young officers dream about but seldom realize. He served in Italy and later in north-western Europe, winning promotion after promotion. When the war ended he was a major-general in command of a Canadian army division and had won many British and foreign decorations including the C.B.E. and D.S.O. and was twice mentioned in despatches. One senior officer of a large life insurance company, a dour Scot, not given to flattery, and who, as a soldier, knew Matthews overseas, has been heard to remark that Bruce Matthews, youngest major-general in the Canadian army, was also the most popular and efficient.

Returning to civilian life Matthews joined the staff of the Excelsior Life, becoming vice-president and treasurer. As treasurer he was in charge of the company's investments for which his earlier training gave him a solid foundation. On the death of his father, Hon. A. C. Matthews, former lieutenant-governor of Ontario, he became president.

Although naturally he feels the investment department of the business to be his specialty, his qualities of leadership and his ability to organize are regarded as of prime value to the company, permitting him to leave the more technical parts of the business to the experts.

Matthews likes the insurance business. It involves dealing with people, which he enjoys. Moreover, while the business is highly competitive, competition is on a high plane and in a friendly spirit which makes the business interesting and pleasant he declares.

General Matthews was born in Ottawa, and educated at Upper Canada College and the University of Geneva, Switzerland. He then joined his father's firm and later spent some time with Laidlaw & Co. New York, brokerage firm, returning to Matthews & Co. as trader and becoming a partner in 1932. He likes golf and sailing and in his younger days was a star cricketer. He is married and has two sons and a daughter.

What Others Are Saying

Editorial of the Week

If We Switched to Sterling

The Ottawa Journal

A British Labor MP, Ernest Kinghorn, said over the week end he intends to propose in the House of Commons that Canada be asked to "switch to sterling."

Mr. Kinghorn's economic thinking is evidently a bit woolly. If Canada switched to sterling, and took pounds for the goods she sold to Britain and the commonwealth, just what would she do with the pounds? She certainly couldn't use them to pay for the hundreds of millions of dollars worth of goods which she needs annually from the United States.

Actually there is but one way by which Canada could take sterling in payment for goods which she sends to Britain. The way of creating a sterling credit. That, however, would only be to saddle Britain with more debt; and in the meantime there would be the problem of where we would get dollars for our American imports.

Mr. Kinghorn's proposals will not get far in the British Commons—not any farther than talk, indulged in by another Labor MP (Crossman) about Britain cutting out the buying of our wheat. The British people are not the sort to forget that when in war they needed wheat desperately Canada provided it at a price far below that of the world market—a price which indeed meant loss of many millions of dollars for Canadian farmers.

Nonsense is often talked in our Canadian Commons. But our Canadian Commons, quite evidently, has no monopoly of nonsense.

Other People's Views

RETURN to the House of Commons of J. M. Macdonnell is heartily approved by the **Ottawa Journal** which points out: "A man of civilized mind, with an informed interest in public affairs, and of the highest integrity, he is of the type Parliament needs."

AGRICULTURE in Northern Ontario has been neglected thinks the **Windsor Star.** "Ontario has had no reason for pride in the development of the Northland other than in respect to its mineral and forest resources. And these are industries which, if valuable, are of a diminishing character unless new mineral wealth is found or reforestation adequate."

STILL PROSPEROUS, is Canada, decides the **Saint John Times-Globe** after noting the way the new government-bond issue is selling. "Not many of the bond buyers are wealthy investors. Instead, they're plain rank and file hard-working Canadians. If times weren't good, if the country wasn't prosperous, most of them wouldn't be able to buy bonds at all. The fact that they are now practicing thrift is one of the best guarantees we have against a sudden slump, for if there should be an economic downturn, they would have resources to offset it."

"TOBACCO GROWERS in Southwestern Ontario," says the **London Free Press,** "stand to make about $48 millions this year from the sale of their products, estimated on minimum average price of 42c. This is a gain of approximately $6 millions over total returns in 1948. From the 86,252 acres planted to tobacco the growers will be paid for 113 million pounds of leaf. Tobacco growing in this part of the province has become an established industry, one more sign of the universality of Ontario industry in general, and the great variety of products we make for sale."

PRESENTATIONS of the city hall are not personal gifts from municipal officials, the **Toronto Star** sharply reminds a local controller who had suggested otherwise in a dispute about free seats at Maple Leaf Gardens. "The taxpayers supplied the gifts. And if the taxpayers' money was voted by the controllers as a sort of quid pro quo for free tickets for 'us' — the controllers — then Mr. Balfour and his colleagues have a lot of explaining to do."

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Nov. 12, 1949

Weekly Incentive Bonus on Group Basis Seen Key To Boost in U.K. Productivity

(Continued from page 1)

The firm is gradually breaking into Canada. It has sold £40,000 odd of products in its first year in Canada, expects to double the figure in the coming year. This week they shipped four 1-cu.-yd. dumptrucks and two calfdozers to Canada, the calfdozers being, in relation to a bulldozer, just what the name implies.

We have found various firms with joint manufacturing arrangements with American concerns. One firm makes an American designed grader under a lease arrangement. Another firm is tied up with the largest U. S. manufacturers of excavating machinery. The U. K. company making the excavators is owned 50% by each parent. In one case the British company is debarred by the arrangement from selling in Canada. In the other, it has been merely established practice that has reserved the Canadian market for the U. S. parent. But, in both cases, we were told that the arrangements were under review and, if it seemed more profitable, at current exchange rates, to sell Canada from Britain, this course would be followed.

In the engineering plants we have visited this week we have found little optimism regarding selling in the American market. The heads of these companies are convinced that even if they find a way to compete on quality, price and service the United States customs administration will see that they do not market their goods in "America."

Using Bonus System

The efficiency of the factories we have been shown is beyond question. The equipment is modern; the methods up-to-date. The spirit of the workers seems excellent. In all cases we have found joint works councils in action, spending most of their time on finding ways of increasing productivity.

Basic wages have in every case been supplemented by incentive bonuses. These are usually worked out on a basis that provides a bonus to be paid at the end of each week, rather than on a yearly or semi-yearly basis. The bonus may be to the individual worker; it may be to a gang doing a unit job; it may be in a department. It seems never to be on a plant basis.

The idea is to bring the incentive system as close as possible to the individual worker. Heads of the plants have told us that the productivity per worker is still below North American standards, but the only slackness we saw was in a nationalized industry. The workers we have seen in private industry have been putting their backs into their jobs. Their skills vary with their tasks, but most large plants operate their own technical schools and provide astonishingly thorough training for their apprentices.

The company spirit is enhanced by various plans to keep their workers informed on the significance of the jobs they are on. In one plant there is a list beside every time-clock of every new order received, of deliveries made, of production week-by-week, etc. In another plant brightly-colored charts set forth weekly production targets with the percentage of achievement.

What are Worker Incentives?

It is astonishing how much progress has been made in raising the efficiency and productivity of British industry in the face of the government's policy of removing all the incentives.

There has been progress: a great deal. Industry has not been able to expand by the usual method of taking on additional labor force. There has been an increase in employment in industry of scarcely 1% in the past year; there are no people looking for jobs. Yet production of industry will be up about 8% on the year after an increase of 21% between 1946 and 1948. A 30% increase in production in three years, with a very much smaller increase in the number of workers argues higher efficiency.

Some of this is due to the gradual re-tooling of plants along more modern lines. Some of it is due to increased productivity per worker. Probably little of it has been due to longer hours.

The tendency of the British worker to shun overtime because it brings him into a higher income tax bracket is not as marked as it was. Here the influence at work is the increasing availability of merchandise in the shops.

When I was here in 1946, there was little to buy; today the shops present a variety of merchandise — household utilities, clothing, gadgets, leather goods, perfumes, etc. — that compares very favorably with what can be bought in Canada. One cannot generalize on the price of the merchandise; some articles are cheaper than in Canada; some dearer. But the main thing is that the stuff is there. The housewife goes out and buys it; the husband has to work a little harder at his piecework job or a few more hours each week to pay the bill. The end result is productivity.

With such an example before it of what incentives can do, one might expect the government to carry the incentive system a little further: into the realm of taxes on personal incomes and company profits, for example, and in the abandonment of some of the plans for nationalization. That would be asking too much of this government, which is still driven by the force of textbook theories.

Did Nationalization Help?

We called the other day on the Minister of Supply, G. R. Strauss. He gave a quick and confident survey of the British engineering industry, which is in better shape, he said, than ever before; better equipped, more efficient, more productive. Plant after plant was increasing output by 5% to 10% with no increase in man power.

As the engineering industries are so closely allied with the iron and steel industries, and many of them are controlled by the iron and steel companies, I asked him a natural enough question. Would the nationalization of iron and steel not interfere with the steady progress being made? Not at all, he said, because nationalization would not change the set-up of the companies at all. The existing management would continue unchanged; the only change would be that instead of a company being controlled by, say some large holding company it would be owned by the government. The only change would be in the shareholder.

Then what was to be gained by nationalization, I asked. The purpose of nationalization, said Mr. Strauss is to increase the efficiency of the industry.

This leaves me a little bewildered but it is clear enough to the millionaire Socialists, the lecturers, the trades union organizers and the demagogues who find common ground under the banner of Socialism at Westminster.

It is not surprising that The Economist should find the government's policies "nonsensical" and that it should declare with some bitterness that Britain is "drifting as the hurricane rises, without a captain on the bridge or a hand at the wheel." Or that the Daily Telegraph should declare "If the dollar gap is ever closed it will be in spite of, not because of, the machinations of Socialism."

We put the Ministry of Supply a question as to what lines of "heavy" goods Britain is most anxious to sell in Canada. They listed

- Motor cars
- Machine Tools
- Diesel engines
- Steam plants, for central electric stations
- Tractors
- Sewage and water plants
- Equipment and rolling stock for subways
- Aircraft engines
- Pipe lines and refining equipment

This is by no means a complete list. Various missions are finding new opportunities in the Canadian market, opportunities to be developed by going after markets now supplied from the United States rather more than by competing directly with Canadian plants.

• • •

Tour Sidelights

Someone in Britain has a sense of humour. The other day we were sitting in the waiting room at Transport House (headquarters of the Trades Union Congress) waiting to keep an appointment with the secretary-general.

I picked up a copy of "Labour Woman", published by the Labour Party. Opposite the sentence "The increased cost of coal is due to higher wages paid to miners and to better conditions in the pits," someone had put a large question mark.

The propaganda document went on to say that if there had not been improved conditions there would have been less coal. Opposite this was written "There is." Then there was a statement to the effect that there would be no increase in electricity charges. Our sardonic, capitalistic Fifth Columnist in Transport House had written "Add it up and see; there certainly will be."

• • •

Even the historic spots of Britain can produce their moments of disillusionment. Well do I remember the impression created upon me by the brass-helmeted cavalrymen on duty at the Horse Guards. Thirty years ago I used to stand watching these men to see if I could not catch one of them flicking an eye-lash or turning a furtive glance towards a passing pedestrian. They were world famous for their handsomely caparisoned immobility.

The other day, when I went by, the mounted soldiers were still there. Gone were the distinguished black moustaches. Two rather youthful members of His Majesty's forces were astride the horses. One was whistling. The other yawned in my face.

G. C. TILLEY,

secretary-treasurer of H. J. Heinz Co. of Canada, Ltd., has been elected a director of the company.

Can. Marconi After Big U.K. ApplianceLine?

LONDON — Discussions have taken place between Canadian Marconi Co. and Britain's giant Electrical & Musical Industries toward establishment of the latter's line of H.M.V. household appliances on the Canadian market.

"H.M.V." stands for "His Master's Voice" and records under the trademark are distributed in Canada by R.C.A. Victor.

H.M.V. has a wide range of electrical utilities for household use, including grates and space heaters which are not likely to be promoted in the Canadian market. Items under consideration include toasters, percolators, irons and electrical kettles.

The kettles and percolators are of chromium finish on copper and sell here in the range of £4.7.6 to £4.17.6. All have safety devices to turn off the current if the kettle or percolator runs dry.

The line of electric irons includes a traveling iron which will operate on any voltage in use anywhere in the world, including Canada's 110 volts and Britain's 230 volts. Adaptor plugs enable the iron to be used in bayonet catch lamp sockets such as are common in Britain, the three-pronged plug sockets general in some countries as well as the two-pronged socket standard in Canada. The iron sells for £13.15.0 in U. K.

It is understood that Ontario Hydro has recently passed certain British-type appliance cords for use in Canada. Previously these were not acceptable as it is not British practice to use asbestos winding.

Union Gas Co. Reduces Rates

As a result of the recent repeal of the sales tax on all fuel oil used for lighting and heating and on crude oil to be used in production of fuel, Union Gas Co. of Canada has lowered rates to customers. The reduction will be roughly 1.5c per thousand cu. ft. on all gas consumed in excess of the first 2,000 cu. ft. each month, effective on all meter readings on and after Dec. 1, 1949.

Here are examples of how this decrease will affect customers' monthly bills:

Consumption	Total decr. in monthly bill
2,000 cu. ft. or less	nil
3,000 " "	2c
5,000 " "	4c
10,000 " "	12c
20,000 " "	27c
30,000 " "	42c

As a result of this adjustment, total reduction in cost of "still" gas to the company may be slightly greater than total reduction in charges for gas supplied to customers. (Cost of refinery still gas purchased from Imperial Oil Ltd. has decreased 5.30c per thousand cu. ft.) A company letter, however, points out that increased revenue following the previous rate adjustment effective Nov. 1, 1949 (Financial Post, Oct. 15), did not compensate the company for the entire increase in cost of "still" gas arising from devaluation of the Canadian dollar.

Under the rate schedule approved by the Gas Referee on Nov. 26, 1948, there is a clause providing for automatic increase or decrease in gas rates as the cost of refinery still gas increases or decreases.

Norseman to Test Geological Bet

A diamond drill is to be moved to property of Norseman Mines in the Bourlamaque area to test a theory that a relatively unexplored area south of where much previous work was done possesses possibilities for location of copper ore bodies.

An old hole in this section was apparently not in the Bourlamaque plug as it passed through lavas with evidences of pyrite and chalcopyrite mineralization. The area lies to the east on strike of the East Sullivan ore bodies and is about 2,000 ft. east of the East Sullivan-Norseman line.

Nothing 'Off the Record' In Fight of Music Titans

In three-quarter page ads, RCA Victor and Columbia are putting their "Battle of Record Speeds" before the court of last appeal—the buying public.

Following breakdown of peace talks between the two record "giants" (The Financial Post, Sept. 3) Decca and Capital and some smaller firms threw in their lot with Columbia, giving it the edge.

At the last count in September 17 companies were pressing Columbia's 33-1/3 rpm platters against two for 45 rpm. These two are RCA and Capital. The latter is also waxing discs at 33-1/3 rpm.

RCA countered with a $1 million advertising campaign in Canada and the United States to push its 45 rpm discs. Columbia retaliated with a similar program.

In U. S., Columbia's 33-1/3 rpm Long Playing discs are reportedly outselling RCA's saucer-size 45 rpm platters by a wide margin. In Canada, according to a survey made for RCA, it's just the opposite—by three to one.

A spot check by The Financial Post showed some variations in the picture.

One of Toronto's largest record centres reported Columbia outselling Victor 10-1.

A three-day check by a department store confirmed the RCA survey.

Said one store: "Victor's 45's are going a little better but not three times as good."

Another dealer thought a comparison of sales, record-for-record, would not be conclusive for three reasons:

1. RCA waxes current popular hit tunes; Columbia doesn't.
2. RCA discs sell for 75c-$1.25; Columbias' $2.85-$4.85.
3. RCA's seven-inch platter contains the same amount of music as a standard 10 in. or 12 in.; Columbia's holds four times as much.

Meanwhile the radio and record changer industry began trying to ride all three horses at once. Among the first to show with a three-speed changer was Admiral. They announced a table model radio-record player combination for $109.95 in Toronto.

Next Philco announced its 1950 radio-phono jobs would have three speed changes featuring a single tone arm for all three types of records. A two-way switch changes needles for different records. Some changers get around this by having two tone arms.

Prices Lowered

Soon, just about every manufacturer was on the market with an automatic changer which would play all three discs. Phillips cut the price of its 1949 one-speed combination from $249 to $179 and introduced its 1950 three-speed model at $249.

RCA featured a one-speed changer (45 rpm) in two of its cheaper models and in more expensive jobs two separate changers—one at 45 rpm, the other at the standard 78. Columbia's 33-1/3 was ignored.

RCA was also offering a separate player to plug into a radio for $24.95 and a combined amplifier and changer at $54.95.

The radio industry was still far from happy about the dizzy merry-go-round. For a while, they didn't know which way to turn. The buying public felt the same way and sales dropped off sharply.

Now with efficient three-speed changers available, manufacturers are going ahead with production and customers are showing signs of renewed interest.

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(No par value)

The Class "A" Shares of British Columbia Power Corporation, Limited are entitled to non-cumulative preferential dividends aggregating $2.00 per share in each fiscal year, as and when declared by the Directors, and are entitled to participate equally, share for share, with the Class "B" Shares of the Corporation to the extent of an additional $3.00 per share in such fiscal year.

The Class "A" Shares are redeemable at any time on sixty days' notice at the price of $100 per share plus any dividends declared but not paid. By resolution of the Board of Directors of the Corporation all or any part of the Class "A" Shares at any time outstanding may at any time and from time to time, without notice, be redeemed by the purchase thereof in the open market, or by private contract, at such price as the Board of Directors may decide, but at not exceeding the said redemption price. The Corporation shall not voluntarily wind up its business or liquidate or dissolve unless all the Class "A" Shares have been redeemed. In the event of the involuntary winding-up, liquidation or dissolution of the Corporation, the holders of the Class "A" Shares and the holders of the Class "B" Shares shall, after payment of all indebtedness of the Corporation has been made or provided for, be entitled to share equally, share for share, in all distributions of the assets of the Corporation, until the holders of the Class "A" Shares shall have received a distribution of, or distributions aggregating $100 per share. Thereafter, the holders of the Class "B" Shares shall be entitled to all further distributions of such assets, if any.

The provisions relating to the Class "A" Shares and Class "B" Shares of the Corporation are fully set out under paragraph (b) of the Statutory Information contained in the prospectus, a copy of which will be supplied upon request.

Registrar: The Royal Trust Company, Montreal, Toronto, Winnipeg, Vancouver.

Transfer Agent: Montreal Trust Company, Montreal, Toronto, Winnipeg, Vancouver.

In the opinion of Counsel, these Class "A" Shares will be investments in which, pursuant to The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended, companies registered under said Act may invest their funds.

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We offer, as principals, these Class "A" Shares if, as and when issued and received by us, subject to prior sale and allotment, and subject to the approval of all legal matters by Messrs. Douglas, Symes & Brissenden, Vancouver, B.C., on behalf of the Corporation, and of Messrs. Montgomery, McMichael, Common, Howard, Forsyth & Ker, Montreal, Que., on our behalf, who will rely upon the opinion of the Corporation's Counsel in respect of all matters of local law in British Columbia.

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McGregor Report: Conclusions, House Comment

11 Co's Accused; Howe Says Faith Broken With Industry on WPTB Pact

What is the substance of the McGregor charges against the milling industry? What does the Government say about the report which names 11 companies as having "assisted in the formation or operation of a combine" in the industry; of its decision to withhold publication for 10 months? The Post here presents a resume of the report and what was said about it in the House this week.

Resume of Conclusions In McGregor Report:

"It is clearly established that since 1936 at least there have been continuing efforts on the part of the principal milling companies to secure and maintain agreements among themselves and with others which would fix common prices for the sale of flour, rolled oats, millfeeds and coarse grains which they sold.

"The fact that the agreements were not completely adhered to at all times does not alter the basic character of the arrangements or obviate the fact that they were intended to and did deprive the public of competitive pricing which would have obtained otherwise.

"Some Serious Breaches"

"During many periods agreements to maintain price uniformity have been completely effective. At other periods (some of them rather prolonged) and in some areas (now in one and now in another), certain members have sold below the Association's prices. Sometimes the break was so serious as to make it necessary for all members to disregard the list prices, until, as the documents say, confidence was restored. Efforts were made, and with considerable success at times, to prevent even isolated instances of price reduction.

"One reason for the Association's inability to maintain uniformity of prices at all times is to be found in the fixed price level itself. An enterprising firm with idle capacity is under constant temptation, in spite of agreements, to get business at prices below the fixed level. The more efficient firms, with lower costs of production, administration and distribution, should be able to increase volume by reducing prices and still operate profitably.

"Small mills, outside the Association, operating at lower cost and selling at lower prices, have also provided a temptation to Association members to depart from their fixed prices at times in the areas served by the small mills.

"The CNMA has normally been prepared to disregard the limited impact of small mills on the price structure in the belief that general agreement could be maintained among its members. In those circumstances it becomes obvious that the restriction of price competition among the principal suppliers has very serious detrimental effects on the Canadian public.

"Both factors, internal dissension and external competition from the small mills made difficulties for the CNMA in efforts to prevent reductions from agreed prices. They prevented the complete unanimity which was the object of the Association. Members continued to subscribe to the agreements in spite of breaches and in spite of outside competition. The obvious conclusion is that the agreements must have been of considerable value to members in maintaining prices.

"Some companies contended vigorously, and with apparent sincerity, that the words 'agreed' and 'agreement' as used in their minutes and other documents with reference to prices should not be taken to mean that the members entered into any undertaking to maintain prices recorded as having been agreed upon. These prices, according to some witnesses, represented merely a target to aim at, a yardstick of values. Others contended that, even if there were agreements in the ordinary meaning of that term, they were never carried out.

"The phraseology used throughout the years makes it difficult to accept these interpretations of 'agreement.' The terms usually employed were 'agreed' or 'unanimously agreed,' but variations were used such as 'reaffirmed their determination,' 'pledged their honor to maintain prices' and many other synonymous phrases. The Association's records are replete with such statements of agreement having been reached. Evidence that 'agreement' meant agreement, an undertaking to maintain common prices, is found throughout the correspondence of the members.

"Reference is made earlier to what in effect was a double set of minutes kept by CNMA. Official minutes contain practically no reference to frequent understandings and agreements reached on prices, competitive conditions and related matters. A separate record was kept however in 'confidential memoranda.' Examination of these discloses a continuous series of price discussions and price agreements.

"One company, Maple Leaf Milling Co. Ltd., claimed that during the wartime control period from December 1941 to September 1947 its actions and those of other companies were so completely subject to government control that 'it was quite impossible for an illegal combine to exist.'

"No exception is taken to the wartime activities of CNMA and its members authorized by Wartime Prices and Trade Board and other government agencies. The CNMA greatly assisted the control agencies as a clearing house for wartime problems.

"The practice during the war years to which exception is taken is that of agreements to remove competition in price. In the war years regulations established maximum levels beyond which prices could not be increased. In this period concerted efforts were made to prevent competition by securing agreement as to the prices which the membess would follow. Such joint action was neither required nor sanctioned by the Prices Board or any other government agency.

No WPTB Floor Price

"No action was taken by WPTB to set a floor price nor was any encouragement given to the milling industry to prevent reductions in domestic prices. Assuming some companies did choose to sell at less profitable levels, knowing they could not retain profits above a fixed level, the benefits still accrued to the public in the form of lower prices. Arrangements association members had made to prevent price reductions were not made however in anticipation of profit control under emergency regulations; they had been in effect long before.

"Simultaneous and uniform price increases were put into effect September 15, 1947 when the wheat subsidy was withdrawn and flour prices were decontrolled. While the investigation which followed disclosed little documentary proof of agreement on these particular increases there is justification for a strong presumption that the amounts of these advances on flour and millfeeds were arrived at by agreement.

"Since the investigations started in September 1947 there have been many evidences of a restoration of price competition in the flour milling industry. Few Association meetings have been held; the price agreements do not appear to have been operative.

"Restriction Necessary"

"It has been argued by members of CNMA, that the peculiar nature of the industry makes necessary restriction of freedom of competition. It has been contended that the nature of operations requires heavy capital investments which result in relatively inflexible overhead costs, and that the determination of prices by the independent action of individual companies would result in price wars which would lead to a state of chaos.

"The form of industrial self-government established in this industry, and exhibited in the agreements would, if fully effective, completely eliminate competition in price among Association members and others who could be induced to conform. Starting from accord on a basic list of common prices, agreements have been made to ensure uniformity of prices in different regions of the country, and that such uniformity would be maintained whether products were sold on the basis of trade lists or on sealed bids.

"Variations in prices which might arise through independent classification of customers were removed by joint arrangements to set up trade categories and the discounts applying to them. The special situations created by the war became the subject of consultation and agreement.

"When competition from outside the combination became significant, measures were employed to check its development or to seek to bring it into conformity with the basic agreements.

"When large orders of mill-controlled bakeries or other chain bakeries seemed likely to disrupt the noncompetitive pattern which had been established, special efforts were made to allocate business so as to ensure the adherence of dissatisfied participants or to agree on a limited area in which price competition might operate.

"At times when tenders were called for by federal or provincial governments or by other large buyers, members have checked their proposed quotations with each other, or submitted them through the Association Secretary or regional group representative, in order to ensure that the bids would be at identical prices.

"On other occasions, in respect of some classes of government business, arrangements have been made to quote varying prices with the understanding and expectation that the company submitting the lowest arranged bid would receive the order, and with the understanding, so as to divide the business, that on future tenders other companies would be the successful bidders.

"Quite apart from other arrangements limiting competition, many of the arrangements respecting government tenders, depriving as they do the government and through it the public of the advantages to be obtained from genuinely independent tenders, are in my opinion clearly contrary to the Combines Investigation Act.

"The definition of a 'combine' in the Combines Investigation Act includes a combination carried on by agreements having or designed to have certain effects, such as the fixing of common prices and the lessening of competition, which has operated or is likely to operate to the detriment or against the interest of the public.

"Unquestionably the design of the members of the CNMA was to establish common prices for all their products and thus completely eliminate price competition among themselves. Their design was also to lessen the competition of smaller mills outside their membership, not only by inducing them, through persuasion or coercion, to maintain prices at levels not too far below the Association level, but also by using other methods to restrict their competition."

11 Firms Named

Here's a list of the companies specifically named in the report:

Lake of the Woods Milling Co. Ltd., Montreal.

Ogilvie Flour Mills Co. Ltd., Montreal.

St. Lawrence Flour Mills Co. Ltd., Montreal.

McDonald and Robb Ltd., Valleyfield, Que.

Quaker Oats Co. of Canada Ltd., Peterborough, Ont.

Lakeside Milling Co. Ltd., Toronto.

Maple Leaf Milling Co. Ltd., Toronto.

Purity Flour Mills Ltd., Toronto.

Robin Hood Flour Mills Ltd., Moose Jaw, Sask.

Ellison Milling & Elevator Co. Ltd., Lethbridge, Alta.

Brackman-Ker Milling Co. Ltd., New Westminster, B.C.

Digest of Statements In the House:

Mr. Howe: "Some months ago the minister of justice asked me to look over the report on the flour milling industry prior to its being tabled. I did so and was amazed to find that the industry was being condemned for carrying out policies that were obviously those of the Wartime Prices and Trade Board and those common to all control administrations.

"Therefore I called the attention of the minister of justice to the situation and urged him not to table the report without further investigation and suggested particularly that he consult Mr. Donald Gordon and Mr. Gordon's successor, Mr. K. W. Taylor, for confirmation of the inconsistencies in the report that I had pointed out to him.

"I was confronted, with the fact that when an industry has been asked to act as a unit in finding a solution of wartime supply problems and in holding down domestic prices, such industries were told that the Combines Investigation Act would not be invoked for acts performed during the period of control. Certain industries asked for this assurance in writing, which was given, but others were content to accept the word of a responsible minister.

"Violation of Undertaking"

"It was obvious to me that the report under discussion represented a violation of that government undertaking. Mr. McGregor is, and has been since its inception, a member of the WPTB and responsible with other members of the board for formulating and carrying out price policies. Mr. McGregor was also enforcement officer for all control regulations, including those of the Department of Munitions and Supply. In these two capacities it would seem to me that it would have been his duty to draw the attention of his colleagues on the board to administrative practices which would be objectionable under the Combines Act.

"It was a shock to me to discover that, having failed to take objection at the time, he subsequently would attack the industry for its practices during the control period in his other capacity as commissioner of the Combines Investigation Act.

"The flour milling industry carried on its wartime operations as directed by the flour administrator. Ceiling prices were maintained on both flour and feed throughout the control period, although the wheat prices continued to rise. When decontrol came, the industry accepted direction from the chairman of the WPTB in returning to price levels for flour and feed that he considered reasonable. As a matter of fact, the minister of finance said in a public statement that, unless the industry established prices after decontrol that he considered reasonable, controls would be reimposed. It would appear that he was satisfied with the prices then established, although Mr. McGregor condemns the industry for acting as a unit in establishing prices proposed by the board.

"Perfect Co-operation"

"I would say that both the industry and the government could regard the period of flour control as a perfect example of co-operation between government and industry in the best interests both of the consumer and the public exchequer.

"In his report the commissioner states that the industry committed a crime by not selling flour below the ceiling prices in competition, one unit of the industry with another. I point out that had the industry done so, it could only have been at the expense of the public purse, since the profits of the industry would have been the same in any event. However, one unit could have dropped its price and enlarged its domestic market at the expense of its competitors had the Wartime Prices and Trade Board permitted it to do so, which I am sure they would not."

Gordon Memorandum

Mr. Howe read into the record a lengthy memorandum from Donald Gordon, former WPTB chief, discussing pertinent points in the McGregor report.

Mr. Gordon, in this memorandum stated it had been recognized that anything done by industry in furtherance of the policy and administrative practices of the WPTB would be privileged.

He had had the advice of WPTB legal officers that the Board had the authority to give such an assurance and in consultation with Mr. McGregor thought he had also had his positive agreement that this was so.

If Mr. McGregor had given him any reason to think otherwise he would have advised the Government that a wartime suspension of the Combines Act was necessary for the price and control supply period.

The Gordon memorandum took excerpts from the McGregor report and commented as follows:

1. Uniform price ceilings—The evidence suggested improper discussions or agreements. Mr. Gordon said: "The fact is that during the price control period the flour administrator and his advisory committee, which included the milling association, frequently discussed with officers of the prices board proposals for establishing uniform price. In fact they were encouraged to do so because the board found the idea of uniform prices attractive, as it offered simplicity in a very complex pricing field."

2. Agreements on tenders—The report indicates that arrangements were made to tendering on government contracts at agreed prices so that the business would be allocated around the industry. Mr. Gordon says the report on this should be read with the fact in mind that supply was often a responsibility, not a privilege of the supplier. It was essential that each mill take its turn in the supply line and this was done with the agreement of the flour administrator.

3. Decontrol — The report has drawn attention to the fact that prices of flour and millfeed, when ceilings were removed, were increased to a uniform level. This, Mr. Gordon says, is important because it was apparently this particular event which aroused Mr. McGregor's suspicions and started the investigation. He adds: "This agreement was at the government's request and dealt specifically with holding the expected increase to a maximum. It is not therefore the kind of agreement which should excite the commissioner's attention."

Mr. Garson said the Government had suppressed the report on the ground that the Government would have been challenged to prosecute and would not have had a case at least until amendments to the Combines Act were passed.

Mr. St. Laurent said the alleged violations of the Combines Act by the milling companies had all occurred 10 years ago and that it would be impossible to prosecute at this late date.

John Diefenbaker (P. C. Lake Centre) leading off an opposition attack that saw all opposition parties united said there was only one reason why the report had not been published within 15 days of receipt as required by law and that was the fact that an election campaign was in the offing. Opposition spokesman charged also that the Government "had worked deliberately to force the McGregor resignation" and that it had been retaining him since 1939 only as a gesture to public opinion.

Elected Directors

—Photo by M. Russell Reid.

TELFER R. HANSON

—Photo by Pringle & Booth Ltd.

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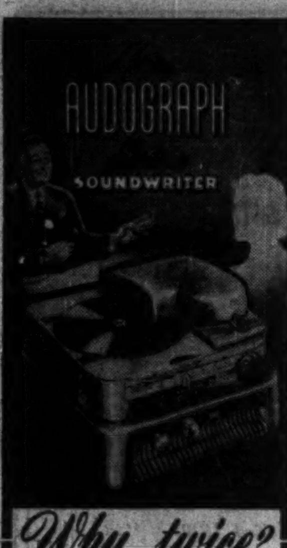

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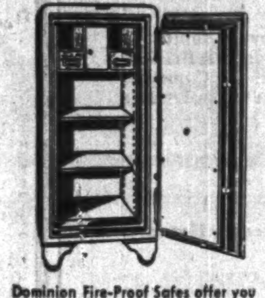

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LABOR ROUNDUP By RONALD WILLIAMS

Canada's Longest Strike Nearing End? ITU, Southam Press Settle in Vancouver

One of the longest and toughest strikes in Canadian labor history appeared to be breaking up this week. After almost four years walking the picket lines around five Southam daily newspapers, the big powerful International Typographical Union seemed ready to quit.

At Vancouver, the ITU reached a settlement with one of the five, The Province. Others still struck: Hamilton Spectator, Ottawa Citizen, Edmonton Journal and the Winnipeg Tribune.

The Vancouver settlement came on the heels of agreement in a two-year ITU strike against Chicago dailies.

The Chicago fight was over the closed shop, now banned by the Taft-Hartley Act. Employers insisted on observing the letter of the law when the union tried to force the closed shop on them in another form. In the end, the union compromised.

In Vancouver, the ITU backed down to the point where they agreed to let most of the nonunion printers imported by The Province, join the union. Usually, in full victory, they wouldn't touch "scabs," as they call them, with a 10-ft. pole.

The strike was another in which no real issue was involved. It was a sympathy demonstration with the Winnipeg chapel which struck newspapers in that city. That dispute was whether ITU laws were subject to arbitration. The union insisted they were not.

In addition, ITU wanted a master contract with all Southam newspapers. Southam's held that each of its publishers had local autonomy and would have to be dealt with individually.

All five papers were eventually struck but after a brief interruption, all resumed publication with nonunion typos. The Province settlement was the first break in the union's united front. Others are expected in the near future, The Post understands.

* * *

Peace Remote

Elsewhere on the labor front, things were far from peaceful:

At Oshawa, management and the CIO Auto Workers appeared to be a bit closer together as the illegal strike of 5,000 entered its second paralyzing week. Sitting in on peace talks were President W. A. Wecker and Union Chief George Burt.

At Drumheller, in Alberta, wildcat strikes idled 250 miners for a day. After a 24-hour stoppage, 150 returned to the Commander mine at Nacmine. It began when the company docked pay from haulage workers who didn't complete a full eight-hour shift. At Brilliant mine, 100 quit when holiday lists were not immediately available.

At Winnipeg, 600 milk delivery men, members of AFL Teamster's Local 119, have rejected a six-day week proposal to eliminate deliveries on Sunday. The men claimed it would mean lengthening the work day, which they say is already too long.

* * *

No Raise At Alcan

Last week, the National Syndicate of Aluminum Workers of Arvida, Que. joined unions in textile, pulp and paper, logging and mining industries in renewing contracts without wage increases.

The Aluminum Co. of Canada announced "no significant amendments" in the agreement covering close to 5,000 hourly paid employees at Arvida.

However, Alcan agreed to a company-financed sickness or "nonindustrial" accident plan, giving benefits of 50% of weekly earnings up to 13 weeks; 25% for next 13, on condition it did not become part of the Collective agreement.

Request for hospital insurance will be studied further. This would be a voluntary employee contribution plan with the employee paying the entire cost. However, the Alcan statement says the company "would adjust wages to approximately pay for the protection."

* * *

New Minimum Wage In U. S.

Around Feb. 1, the new minimum wage for a host of United States workers will be 75c an hour. The base rate was raised from 40c by amendment to the Wage-Hour Act.

Effects:

About 1.3 million workers now drawing less than 75c will get a raise. This is also likely to bring boosts for other workers as employers are forced to maintain differentials.

Industries chiefly affected: lumber, fertilizers, cotton garments and tobacco products.

Thousands of employees are exempt but exact details will not be known until provisions of the Act are clarified by legal tests.

First reviews indicate exemptions are wider than in the previous law which precluded farm laborers, fishery workers, seamen, switchboard operators in small telephone exchanges, bus employees and those employed in executive, administrative or professional business.

Offer $1.6 Million Bonds Of Sisters of St. Joseph

A new issue of $1.6 millions first mortgage bonds, series "A," of the Sisters of St. Joseph for the Diocese of Toronto in Upper Canada is being offered by Dominion Securities Corp.

The issue, dated Dec. 1, 1949, consists of $261,000 3¼%'s due Dec. 1, 1952 to 1957, sold privately; $639,000 3½%'s due Dec. 1, 1958 to 1968, offered at prices to yield from 3.40% to 3.63% depending on maturity; and $700,000 3½%'s due Dec. 1, 1969, offered at $98 and accrued interest to yield 3.64%.

Proceeds are for:

(a) The redemption of the presently outstanding $440,000 3¼% and 4% first mortgage serial bonds due Sept. 1, 1950-58 inclusive at par and accrued interest.

(b) The redemption of the presently outstanding $366,000 4% first mortgage serial bonds due July 1, 1950-58 inclusive at $102 and accrued interest.

(c) $600,000 to defray the cost of buildings and fixed equipment in the course of construction.

(d) The balance, estimated to amount to $100,000, for general corporate purposes.

The Corporation is now building an extension to St. Michael's Hospital, Toronto which, when completed, will contain 154 beds and will increase the hospital's capacity to 876 beds. Estimated cost is $812,000, on which the Corporation will receive Dominion and Ontario grants of approximately $300,000.

The new issue will be a direct obligation of the Sisters of St. Joseph for the Diocese of Toronto in Upper Canada and will be secured by a first mortgage upon the real property and fixed equipment of St. Michael's Hospital, Toronto. The balance sheet of St. Michael's Hospital at Dec. 31, 1948 shows the value of the land and buildings comprising the hospital, on the basis of cost less depreciation, at $2,931,826 and the depreciated value of equipment at $371,008.

In addition to the new issue, the Corporation will have outstanding $52,100 bonds secured on St. Joseph's Hospital, Winnipeg, $960,000 on St. Joseph's Hospital, Toronto and $400,000 on St. Joseph's High School, Etobicoke, Ont.

Grand'Mere Knit. Earnings Higher Consider US Plant

MONTREAL (Staff) — Sales and earnings of Grand'Mere Knitting Co. have shown a great improvement over last year, and the company's plant is operating at full capacity, a company official informs The Post.

The company recently installed new equipment in its plant at Grand'Mere, Que., to manufacture a new line of sportswear under agreement with Koret of California, whereby Grand'Mere Knitting received exclusive Canadian manufacturing rights to the California company's designs.

Previously the company had been a knitwear manufacturer only—knitted gloves, scarves, socks, sweaters and Basque berets. The contract with the California firm is for one year (ending Aug. 31, 1950) on a royalty basis, with two additional options of one year each.

Consideration is being given to establishing a plant in New England to manufacture Grand'Mere knitted goods for the U. S. market and thus evade the tariff barrier, The Post was told. Such a move could not likely be made for about a year, however.

In addition to $300,000 4% bonds, company has outstanding $250,000 5% redeemable class "A" shares, $25 par; $50,000 noncumulative $5 par class "B" preferred shares and $155,000 $5 par class "A" common shares.

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COMPANY REPORTS

ERIE FLOORING & WOOD PRODUCTS LTD. net profit for year ended June 30, 1949 at $173,472 was up 82.3% from previous year's $95,135.

The company has two wholly owned subsidiaries—American Sawmill Products Ltd., dealing in wholesale lumber, largely in the Province of Quebec, and West Lorne Lumber Co. for sawmilling and dealing in wholesale lumber, principally in Western Ontario. Operating only a short time, initial activities are reported to have been reasonably successful.

A 50% interest is also held in National Lumber Exporters Ltd. in Quebec, which is reported to have closed its first fiscal year with a satisfactory operating profit. Net profit of this company has all been carried forward and no dividend declared.

These subsidiary and associated companies are said to be reliable sources of supply for the parent company's flooring plant and for its and their wholesale business both at home and for export.

Prospects for the current fiscal year are reasonably good, notwithstanding the change from a sellers' to a buyers' market and increased competition at home and abroad, states President Arthur F. Haasz. It is anticipated that building activity will continue at a high level, assuring the company a good market for its products and a reasonably prosperous future, he said.

INCOME ACCOUNT

Years Ended June 30:	1949	1948
Net sales	$1,744,475	unstated
Net earnings	306,737	$185,126
Less: Deprec.	19,489	24,003
Income taxes	113,776	65,988
Net profit	173,472	95,135
Less: Cl. A divd.	14,000	......
Surplus for year	159,472	95,135
Earnings per Share and Dividend Record:		
Class A	$4.96	$2.72
Paid	0.40	......
Class B	†2.54	1.24
None paid.		

†After allowing for full years 60c cl. A divd.; after allowing 40c cl. A divd. accruing from Nov. 1, 1948, to June 30, 1949, cl. B earnings would be $2.66 per sh.

CONDENSED BALANCE SHEET

As at June 30:	1949	1948
Cash	$87,952	$60,951
Accts. rec.	164,535	99,516
Deps. on contracts	13,580	25,496
Inventories	294,090	359,046
Total curr. assets	560,157	[illegible]
Prep. exp.§	857	1,[illegible]
Invest. in assoc. cos.	7,491	1,[illegible]
Refund. EPT	30,381	29,897
Fixed assets*	65,278	69,878
Total assets	664,434	[illegible]
Accts., div., etc., pay.	18,046	[illegible]
Res. for taxes, cont.	82,960	160,171
Total curr. liabs.	101,006	245,003
Capital stock	40,000	40,000
Earned surplus	523,428	373,302
*After depr. of	89,683	74,029
§Incl. in curr. assets in co's report.		
Working capital	459,151	300,006

COMPANY REPORTS

HUMBERSTONE SHOE CO., Humberstone, Ont. net profit for year ended July 31 was $61,763, up 96.1% from previous year's $31,500. Plant facilities have been well maintained and the company is in a good position to obtain its full share of the available business, states President H. H. Knoll. Substantial reduction in inventories is attributed to improvement in supply.

INCOME ACCOUNT

Years Ended July 31:	1949	1948
Net earnings*	[illegible]	$50,225
Less: Income tax	37,400	18,725
Net profit	61,763	31,500
Less: Dividends	30,000	25,000
Surplus for year	31,763	6,500
*After deprec. of	9,416	8,570
Earnings per Share and Dividend Record:		
Common	[illegible]	$1.58
Paid	1.50	1.25

CONDENSED BALANCE SHEET

As at July 31:	1949	1948
Cash	[illegible]	$150
Accts., etc., rec.	[illegible]	224,953
Inventories	[illegible]	500,716
Total curr. assets	[illegible]	725,819
Def. charges	22,046	20,757
Fixed assets*	165,464	145,230
Total assets	[illegible]	891,806
Bank overdraft	......	66,424
Accts., tax., etc., p.	218,561	204,408
Total curr. liab.	218,561	270,832
Capital stock	329,432	329,432
Capital surplus	49,912	49,912
Earned surplus	[illegible]	241,630
aIncl. ref. EPT	897	897
*After depreс. of	[illegible]	164,740
Working capital	470,207	454,987

MAPLE LEAF GARDENS LTD. net profit for the year ended Aug. 31, 1949, at $165,532, was off 13.1%. Total revenues were well maintained but operating costs were up, the annual report states.

Profit has largely been used to pay dividends and to provide funds toward retirement of the debenture indebtedness, so that working capital position at end of year remains at about same level as at preceding year-end.

The home game schedule for the 1949-50 playing season has been extended from 30 to 35 games which partly accounts for increase in subscriptions received in advance of the new season over the previous year. A reduction of $140,000 was made during the year in the debenture debt, leaving a balance owing at year end of $280,000 of which $140,000 is to be paid off on Nov. 1, 1949.

INCOME ACCOUNT

Periods Ended Aug. 31:	1949	1948
Net income	$339,585	$391,549
Less: Deb. int.	8,895	12,833
Depreciation	55,158	55,317
Tax provision	110,000	133,000
Net profit	165,532	190,399
Less: Com. divds.	73,558	73,558
Surplus for year	91,974	116,841
Times Deb. Interest Earned:		
Before depr.	38.18	30.51
After depr.	31.98	26.20
Earnings per Share and Dividend Record:		
Common	$1.13	$1.29
Paid (new)	0.50	0.50

CONDENSED BALANCE SHEET

As at Aug. 31:	1949	1948
Cash & Dom. bds.	$337,855	$213,605
Accts. rec.	44,741	48,395
Ins. cash val.	92,097	82,983
Total curr. assets	474,693	344,983
Misc. assets*	40,247	69,774
Fixed assets*	748,226	803,150
Franch. & contr.	100,001	100,001
Total assets	1,363,167	1,317,908
Accts. pay.	47,626	31,562
Tax reserve	51,913	16,992
Debs., curr. due	140,000	70,000
Total curr. liab.	239,539	118,554
Funded debt	140,000	350,000
Prepaid subs.	187,026	145,316
Reserves	27,351	26,761
Capital stock	36,779	36,779
Surplus	732,472	640,498
*After depr. of	936,913	881,755
aIncl. ref. EPT	26,730	39,983
Working capital	235,154	226,429

ROSS D. HEINS has been appointed Canadian general manager of the Continental Casualty Co., succeeding R. D. Bedolfe who becomes general consultant in Canada for the company. Mr. Heins was formerly Canadian assistant general manager.

Gypsum, Lime Has Best Year

The current fiscal year ending Nov. 30 will be the best in the history of Gypsum, Lime & Alabastine Canada Ltd. Operations to date have been at capacity levels with volume well ahead of record chalked up in preceding fiscal year. Despite increased costs, earnings have been better and will show an improvement over the profit of $1,155,000 or $2.63 a share reported for the year ended Nov. 30, 1948.

Company's mills, mines and quarries located in some 15 centres across Canada have been operating at capacity and indications point to maximum production for some time to come. Expansion and modernization program is continuing. The extension to the board plant at Winnipeg, costing $500,000 and doubling capacity, will be ready next spring. The rock wool insulation factory at Calgary, being erected at a cost of $300,000, is expected to be operating in December. Work on a new gas producer and silos for the gas-fired kiln at Beachville, Ont. will be completed in 1950 at an estimated cost of $375,000.

For the nine years ended Nov. 30 last, capital expenditures were in the neighborhood of $3 million and in the current fiscal year will be ahead of last year when net addition to fixed assets totaled $652,000.

Notwithstanding heavy capital expenditures this year, financial position continues to improve.

Odeon Theatres Net Earnings Revenue Up

Despite the clouded outlook for new pictures from the heavily-taxed British film industry, the Odeon theatre chain in Canada has on hand, or arranged for, enough British and American pictures to carry it over the next 12 to 15 months, The Financial Post is informed. On hand is a backlog of J. Arthur Rank pictures and some pictures from independent British studios. Arrangements have been completed for a run of U. S. pictures as well.

Gross revenues and net earnings of the theatre circuit—both directly-operated theatres and those operated as joint enterprises—for the first nine months of the year are holding above 1948, Hon. J. Earl Lawson, K.C., president of J. Arthur Rank organization of Canada, Ltd., reports. (Box-office receipts of the Canadian film industry were at a new high last year).

The film distribution division of the Rank organization in Canada, in which the senior company is Eagle-Lion of Canada, was substantially expanded in September by acquisition of additional franchises for distribution of both British and American films.

The third division, concerned with theatre equipment, has been given added impetus by devaluation, it is said. Technical sales and service facilities orginally developed to handle theatre equipment produced by J. Arthur Rank companies in Britain have proved to be suited also to the requirements of other British manufacturers in fields such as scientific and precision instruments, electronic devices and small machine tools.

The Canadian organization has been set up from the beginning as a self-contained operation with emphasis on Canadian management, Mr. Lawson states.

British Odeon Picture

Annual statement of the Odeon Theatres Ltd., London, Eng. shows a net loss before taxation of £746,000 for the year ended June 25, 1949, compared with the previous year's profit of £4,175,000. Losses originated with the ad valorem duty imposed by the government in August, 1947. In March, 1948, without consultation with the British film industry, the British Government negotiated a settlement with the American film industry direct.

At a press conference following the report, Mr. Rank specifically denied that any negotiations were proceeding either for sale of the Canadian Odeon circuit or for sale of an interest in the circuit.

PAUL SERVICE STORES have declared a quarterly dividend of 25c a common share, payable Jan. 3, 1950 to holders of record Dec. 15, 1949.

Investment Suggestions

Security	Rate	Maturity	**Price	Yield %
Canada Savings Bonds	2¾%	1 Nov. 1959	100.00	2.75
Government of Canada	3 %	1 Oct. 1959/63	103.50	2.80
*Canadian National Railway Company	2⅞%	15 Sept. 1964/69	100.625	2.83
Province of Ontario	3 %	1 Nov. 1963/65	101.50	2.87
Ontario Hydro Power Commission	3 %	1 Nov. 1967/69	100.875	2.93
Province of Quebec	3 %	15 Sept. 1962/64	101.00	2.90
Province of Nova Scotia	3¼%	15 June 1963/65	102.50	3.03
Province of New Brunswick	3½%	15 Sept. 1965	99.25	3.56
Province of Manitoba	3 %	1 Oct. 1965	100.375	2.97
Province of Saskatchewan	3¾%	1 Oct. 1961/63	100.50	3.70
Province of British Columbia	3 %	15 June 1964	100.50	2.95
Shawinigan Water and Power Co.	3½%	1 Oct. 1973	102.50	3.35
Canada Bread Ltd.	4¼%	1 Oct. 1967	101.00	4.17
Cockshutt Plow Company Ltd.	4¼%	1 Oct. 1965	103.00	4.00
Burns & Co. Limited	4 %	1 May 1965	99.25	4.06
John Inglis Co. Limited	4 %	15 Nov. 1966	96.50	4.30
Shawinigan Water & Power Co.	4 %	Pref. $50 Par	Market	4.21
Imperial Tobacco Company	4 %	Pref. $25 Par	Market	[illegible]
Imperial Oil Limited	Common	No Par Value	Market	2.39
Royalite Oil Company Ltd.	Common	No Par Value	Market	2.76

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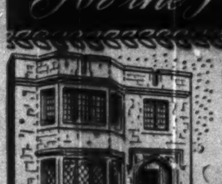

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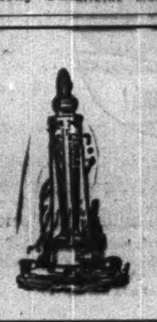
NEW GOLDVUE MINES has received payment for 30,000 shares at 20c a share, part of Oct. 22 installment under agreement with Torny Financial Corp. Balance of installment, comprising option on 90,000 shares at same price, has been extended to Nov. 25 and each subsequent installment has been similarly extended.



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☐ Sell with reason-why appeal.
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☐ Merchandise national advertising.
☐ Gain good-will of buyers and users.
☐ Proclaim product's leadership.
☐ Feature a maintenance service.
☐ Discuss price.
☐ Establish jobber as source of supply.
☐ Show market opportunities.
☐ Show uses of product; feature new uses.
☐ Point out the advantages of quality.
☐ Quicken interest of distributors.
☐ Suggest merchandising methods.
☐ Tie in with exhibits and trade shows.
☐ Urge use of dealer manuals.
☐ Encourage replacement of obsolete equipment.
☐ Build prestige for salesmen.
☐ Advertise installations.
☐ Show how product should be sold or serviced.
☐ Tie in product with names of satisfied customers.
☐ Announce contests for dealers.
☐ Introduce new manufacturing processes.
☐ Get retailers to merchandise complete line.
☐ Feature results of tests.
☐ Suggest what to say to customer.
☐ Cite performance tests.
☐ Offer sales literature.
☐ Offset seasonal decline in sales.
☐ Combat false impressions.
☐ Discuss profit and turnover.
☐ Reach executives that salesmen cannot see.
☐ Demonstrate best use of product.
☐ Advertise in-stock service, or consignment plans.
☐ Announce new catalogs.
☐ Combat substitution.
☐ Promote better product design.
☐ Feature dealer testimonials.
☐ Get a trial order.
☐ Announce consumer contests.
☐ Give information about product advantages.
☐ Suggest seasonal or timely tie-ups.
☐ Dramatize or emphasize trade-mark.
☐ Warn against patent and trade-mark infringements.
☐ Hold the market.
☐ Carry institutional messages.
☐ Broaden the market.
☐ Announce manufacturer's sales policy.
☐ Keep name and product before buying audience.
☐ Sell by premium offers.
☐ Feature the speed and scope of service facilities.
☐ Suggest related selling ideas.
☐ Create a favourable attitude toward product or firm.
☐ Tie in with news events.
☐ Introduce new sales personnel.
☐ Discuss package design.
☐ Tell of new developments.
☐ Establish quality and prestige.
☐ Show quality by means of tests.
☐ Sell "genuine" repair parts.
☐ Educate store clerks about product.
☐ Fill the gap between salesmen's calls.
☐ Remind store clerks to push product.
☐ Stimulate salesmen's morale.
☐ Assist salesmen in their selling job.
☐ Seek new outlets.
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WILLIAM ATKINSON

who has recently become associated as Account Executive with Tomenson, Saunders, Smith & Garfat Limited, Insurance Brokers. Mr. Atkinson was formerly with Johnson & Higgins (Ontario) Limited. *

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How Make Our Navy Truly Canadian?

The Question: Special commission urges more Canadianization of our navy. What are your comments?

Replies to this week's Financial Post question emphasize discipline and proper state of mind on the part of officers as the first step in the making of a "happy ship." Coupled with this must be the realization that our national character is peculiarly our own and is weakened if we try to model it on an incompatible standard.

Nevertheless, correspondents advise, the great traditions of the Royal Navy incorporated into our navy should not be tossed overboard, that the King's Regulations evolved through the centuries are a fortunate inheritance. Canadianization by all means, but not through easing off tried and established standards of discipline.

CAPT. W. J. R. BEECH, retired naval officer, Victoria.

Canadianization of the navy should make for better espirit de corps which promotes understanding and efficiency and affects the general attitude toward discipline. The average young Canadian is intelligent and amenable to discipline when he understands its necessity and it is capably administered in a constant and impartial manner. He must also know that justifiable grievances will receive immediate and thorough investigation. Canadianization should not mean the easing off of well tried and established standards of discipline.

* * *

DON BERTRAND, General Manager, Albert Laliberte Ltd., Quebec.

No matter how large or small, the navy of any country is traditionally the pride of its citizens. Consequently, I see a new source of national ideal in a broadminded Canadianization of our navy. However, it should go beyond the scope of a maple leaf on the funnels of our ships. Canadianization will certainly help recruiting, and I suggest a sincere effort in view of attracting more Canadians of the French language. I cannot avoid thinking that Canada is losing precious time in delaying the adoption of a Canadian flag.

* * *

LT.-COMMANDER (G) BERTRAM M. TATE, R.C.N. (R) (Retired)

The word "Canadianization" does not mean anything very specific to me. There are some respects in which the British naval tradition is unsuited to the Canadian Navy; even though we are fortunate to have inherited in general the experience of the R.N. As one who did not distinguish himself but who thoroughly enjoyed more than five years in the Navy, I would say that Canadian discipline cannot be based on the British approach. British discipline is based on "a great gulf fixed" between the officer class and the lower deck, both of which "know its place" pretty clearly.

In Canada, where class distinctions are less rigid, and where an individual can move from class to class, discipline can be based only on mutual respect. Officers can command willing obedience only as they are superior in professional attainments and strong in self-discipline. Rank in Canada should not be a matter of separate classes. It should be a continuous structure from boy seaman to admiral. And the authority of officers should derive strength from their personal qualities. Candidates must be subject to ruthless selection and arduous training. The pay of officers should be adequate to interest men of natural leadership ability.

* * *

ERIC A. BOWRING, Bowring Bros., St. John's, Nfld.

As far as Newfoundland is concerned, I believe our people, from long and close association with the Royal Navy, would continue confidently to be governed by KR and AI (King's Regulations and Admiralty Instructions).

* * *

W. J. G. CARR, Northmount, Ont. RCN (R) Commander.

I agree with findings and recommendations of special commission including Canadianization of our navy. When serving on headquarters staff I criticized policy regarding public relations, recruiting and selection of officer material. Rapid growth of navy in wartime also handicapped efficient training and education of officers. Loyalty, efficiency and good behavior aboard ship results from a mutual understanding of what proper discipline really means. Proper discipline ably administered and willingly accepted makes "happy ships" in any navy. I disagree with the statement that no subversive element exists because they exist everywhere and at all times.

* * *

JOSEPH W. G. CLARK, Public Relations, Investment Dealers Associations, Toronto; formerly director public relations for all three services.

I find it hard to disagree with any part of the Commission's report. Painting maple leaves on ships' funnels, however, isn't going to solve the problem. We native-born Canadians apparently inherit a "Canadian" accent. In the Canadianizing process recommended much can be achieved if Canadian-born personnel will retain this accent through their training and service careers. If the navy decides to continue the radio program "Comrades in Arms" as a recent newspaper item seems to indicate, we earnestly hope it will strike a new and virile, all-Canadian note.

* * *

C. BRUCE COCHRAN, Publisher The Patriot, Dartmouth, N.S.

If the "mid-Atlantic" accent and "public school" mannerism of our young Canadian naval officer is but an outward and visible sign of an inward and spiritual "lack of human understanding," as the Royal Commission so ably suggests, it would appear that Canadianization of our navy is not only necessary but imperative. Supplying as it does, to a large extent, the life-blood to Halifax and Dartmouth, any benefit to the navy would be mutually beneficial to ourselves. As Flag Officer on the Atlantic coast, Rear Admiral Mainguy has just added another feather to his public relations hat.

* * *

G. A. HUNTER, Managing Editor, The Daily News, Prince Rupert, B.C.

In the face of opinions of such eminent commissioners as those who brought in recommendations following incidents on Canadian naval vessels, comment would appear to be almost presumptuous. Findings were more drastic and recommendations more fundamental than some might have expected. Not only Canadianization but democratization and modernizing of the Canadian navy would be in order. The navy suffered from effects of sudden wartime expansion when inexperience of officers would be inevitable. Canadianization of the navy should be readily achieved after officers have been duly instructed in technique. Organization and discipline and better understanding and harmony are brought about by removal of artificial and needless distinctions between ranks. Management-employee relations are much stressed in business and industry. They are equally desirable in the services.

* * *

B. L. JOHNSON, Vancouver, Lloyd's agent for British Columbia, served with RCN, War II.

Commission one or more small training ships on each coast and on the Great Lakes manned by skeleton crews, selected Canadian trained naval officers and ratings. Employ these ships exclusively for training sea cadets, sea scouts with emphasis on naval career. All Canadian naval cadets to serve in Canadian ships until acquiring two years seniority as lieutenant before being loaned to the Royal Navy. Establish staff college in Canada where Canadian officers will take 60% of their courses then exchange with Royal Naval colleges on reciprocal basis. All Canadian naval officers serve six months in Canadian merchant ships before promotion to Commander. All Canadian merchant marine officers serve six months in Canadian naval ships before becoming eligible for foreign-going masters' certificates. Hard liquor excluded except in shore clubs. Drinking in wardrooms leads to resentment by ratings and customary rum issue leads to inflamed and unconsidered thinking.

* * *

J. C. KEATING, President, Times-Transcript, Moncton, N.B.

I am heartily in accord with recommendation of special Commission of more Canadianization of our navy. I believe that if more opportunity were given for advancement through the ranks and also more opportunity for training of young Canadians to take responsible positions in our naval service we would have a better trained, better serviced navy and a more harmonious, better disciplined group which in time would give us a navy personnel second to none, and lend incentive to young Canadians to take service in this important branch of our defense system.

* * *

HON. ANGUS L. MACDONALD, Premier of Nova Scotia, former naval minister of defense.

First thing to bear in mind is that the Commission was appointed to investigate certain unfortunate happenings on three Canadian naval vessels and, as the Commission itself observes, the fact that it was asked to find out what was wrong in certain instances should not obscure the fact that it found a great deal that was overwhelmingly right.

I agree with the view that distinctive markings as the word Canada on uniform and the maple leaf on ships' funnels should be restored to use as they were in the last war. The development of a Canadian naval tradition will be helped by improved conditions but cannot be forced. It must come naturally, and there is much in the gallant conduct of Canadian naval officers and ratings in the last war to form the basis of an inspiring tradition. The Commission deserves thanks and congratulations for a thorough and courageous report.

* * *

BRIG. J. A. ROBERTS, President, Mercury Mills Ltd., Hamilton.

I believe in Canadianization of our armed forces and therefore consider it healthy that the recent report on disciplinary disturbances within the Canadian Navy should be made public. Our national character is peculiarly our own—it is neither British nor American and that character is weakened if we attempt to model it on an incompatible standard. The Canadian fighting man has proven himself to be an outstanding representative of our country by his actions and his conduct—the load of leadership is heavier in the Canadian armed forces but the results are well worth it.

* * *

WILLIAM SCLATER, Author of Haida; Navy Veteran, Toronto.

Since inception the Royal Canadian Navy has followed the basic King's Regulations evolved through centuries of sea experience for the government and protection of the officers and men of the Royal Navy. In their tolerance and understanding, these are a fortunate inheritance and one of their governing principles is the guarantee of the disciplined freedom of the individual. No more

(Continued on page 11)

W. J. HENNING

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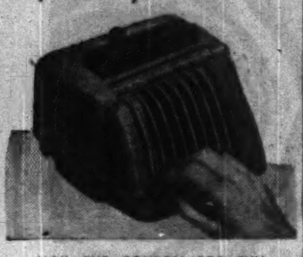

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Investment Opinions Vary on Prospects For Stocks of Canadian Food Companies

By JAMES H. JOYCE

Are the stocks of food companies a good buy? Opinion is diversified in investment circles. Comments range from an enthusiastic "yes" to "not for my money."

Investors in food company stocks have many factors to consider this year and the answer to some of their questions is far from clear. This is reflected in the action of the stocks. Food and allied stocks are selling at an average of 0.6% above their level at the first of the year while Canadian stocks generally are selling 5.5% higher than at Jan. 2, 1949, judged by the action of the Dominion Bureau of Statistics index of securities prices.

In the food stocks, as in the market generally at present, selectivity seems to be the dominating factor. There is a wide difference between results and outlook for the individual branches of the group, and even among the individual companies within these sub groups.

For example most investment men feel that the outlook for Loblaw Groceterias Co. and for Dominion Stores Ltd. appears good and profits of each are expected to be higher again this year. On the other hand they point out that the outlook for the flour milling companies depends to a considerable extent on their ability to find export markets, that their profits for the fiscal year just ended are expected to be down at least about a third on the average, and that their future in the export field, after the British contract expires next summer, is very uncertain.

Even in the same industry widely varying results are evident. This stresses the fact that not only each branch but each firm must be examined before coming to any conclusions.

The Plus Signs

Generally speaking, however, here are the favorable factors for the food industry:

(1) The individual firms are in an immensely stronger financial and physical position than prewar to weather any storm.

(2) The physical plants of most have been greatly improved by renovation and expansion programs since the end of the war.

(3) Earnings for the fiscal year ending in 1948 were at an all-time high for most firms and could be halved and still be at or above the same level as prewar for many.

(4) As products come into easier supply, sales have been rising in cases where they were formerly restricted.

(5) The population of Canada has increased and so there is a higher potential domestic market.

(6) The general feeling now that the level of business activity in Canada will continue without any severe drop in the near future, subject, of course, to developments in the United States.

The Minus Signs

On the other side, unfavorable factors are:

(1) The world currency situation and the unsettlement caused by devaluation and its effect on our export markets for food products.

(2) The fact that with any loss in export markets, competition for domestic business tends to become keener. This works to the detriment of the industry as a whole, for example, the Canadian flour millers.

(3) The food industry is normally very competitive. Most companies operate on a very small profit margin and depend on high volume for profit.

(4) As goods come in easier supply, many investors fear a softness in food prices and consequent inventory losses. This situation could particularly occur in cases where the loss of export markets would cause increased competition for the domestic market.

(5) Profit margins have been squeezed by rising costs.

What Will U. K. Do?

One of the chief uncertainties in the picture is the extent to which Great Britain will continue to be a market for Canadian food products. Reports indicate that Britain is expected to reduce her food purchases from Canada by about 25% in 1950 in an effort to bring her trade with the Dominion nearer a pay-as-you-go basis. Details of the cuts are being worked out in London currently.

Investors generally buy stocks of food companies for income and price stability. This relationship has held true generally over a long period. For example the D.B.S. food stocks index currently is 3.6% above its 1937 high level but the D.B.S. index for all stocks is 14.7% down from its 1937 high.

The net profit of food companies has been rising steadily from 1945 till 1948, according to the total net income for 23 food companies from 1937 to 1948 published in May, 1949, Statistical Summary of the Bank of Canada. Net income available to stockholders totaled $10.5 millions in 1948—1.84 times its level of $5.7 millions for both 1945 and 1937. The outlook for 1949, however, is less certain with profits of some groups expected to be lower. But even if the 1948 net income for stockholders were cut in half this year, it would still be as high as in 1937 and in 1945.

Food companies are in a much stronger financial position than prewar to weather any storms. A study in the December, 1948, Statistical Summary of the Bank of Canada indicates that the net working capital of 46 food products companies at the end of 1947 was over 60% higher than in 1937 after a substantial net investment in plant, property and equipment ($21.6 millions) since 1944. A check of 10 companies would indicate working capital would be up another 10% in 1948 over 1947.

Further, the 46 companies cut their debt outstanding by 5% between 1937 and 1947 (from $29.9 millions to $28.4 millions) despite the above expenditure on property account. Actually the figures show that these companies cut their total debt from a high of $31.6 millions at the end of 1938 to a low of $18.6 millions at the end of 1945 or by over 41% but have increased it again to $28.4 millions the following two years no doubt to help finance the expenditure on property account. Despite this, bond interest charges show a steady reduction and for 1947 were only 53% of the total for 1937.

The fact that this expenditure was made so recently is in itself a favorable factor, indicating that the plant and equipment will be just that much more modern, up-to-date and able to meet competition. Net property account of the 46 companies dropped from $78.6 millions at the end of 1937 to a low of $64.9 millions at the end of 1944 and then climbed to $86.5 millions at the end of 1947.

These companies have also reduced the amount of their preferred stocks outstanding 16.1% or from a total of $24.8 millions at the end of 1937 to $20.8 millions at the end of 1947. Common stock outstanding was increased slightly from $58.6 millions to $59.8 millions in the same period. Earned surplus and surplus reserves at the end of 1947 were nearly 2½ times their amount 10 years earlier ($87.7 millions or $35.9 millions). This all indicates a considerable strengthening of their capital structures—a favorable factor.

Importance of volume to the food companies is illustrated by the margin of 1946 profits before taxes to sales for the companies in the food groups as calculated from figures in the latest issue of "Taxation Statistics" published by the Department of National Revenue. This shows as follows:

Division	No. of Cos.	Profit Before Taxes To Sales %	Profit Before Taxes To Net Worth %
Manufacturing	6,773	10.27	19.56
Meat packing	62	1.97	16.81
Fish can'g & cur'g .	58	1.97	16.81
Dairy products	120	3.50	16.75
Canning & preserving fruits & vegt's	91	8.07	14.37
Grain mill products	114	4.08	15.57
Bakery products ...	143	6.89	17.89
Sugar refining	6	7.57	8.47
Confectionery, etc. .	61	9.25	17.78
Misc. food products	94	8.36	19.75
Wholesale	3,437	4.42	25.78
Farm products & foodstuffs	664	3.12	21.68
Retail	4,326	6.77	26.40
Foodstuffs	286	2.70	23.86
Dairies	152	4.80	17.80

Should We Give Our Navy More Canadian Approach?

(Continued from page 10)

striking proof of the value and effectiveness of these regulations exists than the fact that our ships wore the white ensign with honor and distinction through the six years of World War II and in these years built up a maritime power and a sea fighting tradition which earned the admiration of the United Nations and brought into being, both overseas and at home, a new proud consciousness of Canada. The Canadian navy has shown that it is well able to stand on its own merits. I feel it has earned the right to be distinctively Canadian, which should be possible while still maintaining the inherent values upon which our sea power has been founded.

* * *

ALEX J. STRINGER, barrister, Winnipeg, served in Navy.

Almost 100% prairie sailors of all ranks have resented aping the English by certain Canadian officers. However, my experience was that during wartime there was a preponderance of this type of officer. Our prairie boys are not aware that many Canadians, especially from British Columbia and the Maritimes, speak naturally with an English accent and the impression gets around that they are affecting it. This to my mind is a minor matter. The great traditions of the Royal Navy incorporated into our navy are something we should not throw overboard as they are precious and irreplaceable.

* * *

R. H. STOKES-REES, Stokes-Rees, Talbot & Co., commander (retired) British Navy, Toronto.

The special Commission Report infers that the age-long rigid discipline of the British Navy is not acceptable to the Canadian lower deck especially as administered by officers lacking experience background of tradition. This is liable to occur with Canadian volunteer reserve officers transferred postwar to the permanent force. Without discipline a fighting unit becomes a suicide squad but, whereas imitation is the sincerest form of flattery, it is unsound to carry British big ship practice into Canadian small ship atmosphere. The finest example is the British submarine service where firm but friendly leadership develops outstanding efficiency with general goodwill despite over-close contact between officers and crew. This we in Canada would emulate to advantage.

* * *

H. E. WARBURTON, Secretary, British Columbia Provincial Command, Army, Navy & Air Force Veterans in Canada, Vancouver.

I agree with the special Commission in their urge for more Canadianization of our navy. I feel that it should be patterned as closely as possible after the Royal Navy. Officers and men of the Royal Canadian Navy have proved themselves particularly in two Great Wars to be second to none in their record of service to Canada and the Empire. If our navy and the flag of Canada are to be effective on the high seas, its strength should be doubled. It is essential that discipline be maintained with perhaps a closer understanding between officers and men.

* * *

SCOTT YOUNG, Short story writer, former Lieut. RCN Public Relations, Omemee, Ont.

It could be disastrous to our navy to make a political battering ram out of the word Canadianization. A few officers and a few men have proved themselves unsuitable for duties to which they have been assigned but that doesn't necessarily signify basic faults in the navy itself. Perhaps the offenders should be retired. The result would be the same as pruning a tree—the main stem would grow stronger but the word Canadianization in itself means nothing.

Most of the best in our navy comes from the Royal Navy. Much of the worst of it comes because we have tried to impose a type of phony equality on a relationship that should be based on respect rather than friendship and the respect should work both ways. The Royal Navy isn't perfect either, but I think British officers respect their men more and vice versa than in the Canadian Navy. As I see it, the political interpretation of the word Canadianization means that we should try to make our navy more palsy walsy, which, to my mind, would make things worse rather than better, but particularly for ratings.

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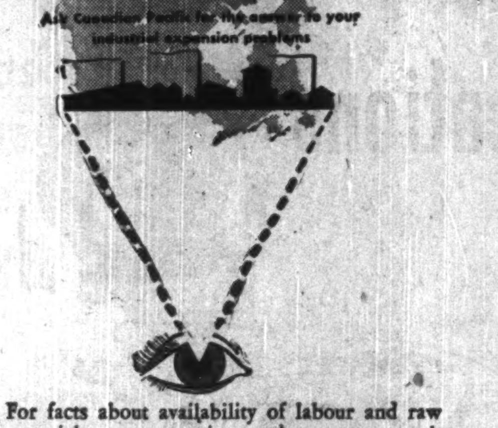

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Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Helicopter Builds Dam: There were scoffers when plans were laid by Greater Vancouver Water Board to build a dam by using a helicopter to transport materials into the tumbled heap of mountains behind North Vancouver. Started last May, project will raise holding capacity of Palisade Lake some 25%. Making as many as 80 take-offs and landings a day, helicopter transported tons of material, cement, gravel, lumber and machinery. Landing field on dam site on mountain was chipped out by hand, measures less than 15 feet square. Twelve men working on six months job can hop mountain to Vancouver in four minutes; by foot it takes 12 hours.

Super Super Market: Last word in planned development, British Properties Ltd., West Vancouver is now viewing construction of a supermarket claimed largest in Canada. Built by Woodwards' Stores Ltd., new unit will employ 300 persons, raising number of firms' employees to 4,100. Big store is part of a $1.5 millions development on Marine Drive which will contain in addition to the market, a theatre, arena, restaurant and other shops. Parking space is being laid out for 700 automobiles.

Favor Lotteries: Fund to lobby Ottawa for legalized community lotteries has been started by Greater Vancouver Community Council. Over 100 welfare organizations received questionnaire, "Are you in favor of changing Criminal Code to allow lotteries and bingo games to be held for charitable purposes under government supervision?" Response indicated "strongly in favor." It was noted that in last few years $548,457 had been raised by small lotteries, indicating the public preferred to contribute to charity and welfare campaign in this manner. Two years lobby fight is anticipated.

• • •

Alberta

Edmonton's Plans: Edmonton citizens elected Sid Parsons to succeed Harry D. Ainley, retiring mayor, and approved $3,237,500 money bylaw questions for civic improvements. Parsons, civil servant and former bricklayer, ran as independent while six aldermen elected were Citizens Committee nominees. Highest expenditure will be $1,260,000 for paving. Next, a four-lane top on High Level Bridge connecting city's north and south over North Saskatchewan River will cost $1.4 millions but it is understood the province will contribute $430,000.

Records Smashed: Calgary's 46-year-old Alberta stockyards smashed all previous records for one month's volume of business during October when $5,833,904 worth of livestock was handled during the 31-day period. Yard reports show 10,885 cattle and calves, value $5,392,465; 7,060 hogs ($388,674), 8,030 sheep ($112,740) were sold. During month 1,750 railway cars and 4,892 truck loads were counted.

Saskatchewan

Which Way And Why? Declaring provinces' insistence on constitutional rights has caused breakdown in many projects. Trans-Canada Highway System Association (Yellowhead route) are pressing for a federal commission to study proposed western routes—Yellowhead, Crow's Nest and Kicking Horse passes. Alberta Government favors southern route linked with Big Bend Highway but Yellowhead backers argue Big Bend took eight years to build, cost millions; point to Hope-Princeton road, first estimates of which had been $3 millions, had cost $12 millions and was still unfinished. Yellowhead could be quickly built in case of emergency linking Saskatoon, Edmonton with Kamloops and so on to the coast, it was claimed.

Canal Experiment: Asphalt lined irrigation canals, using asphalt prepared from Lloydminster crude oil may become a reality if experiments carried out at Swift Current are successful. Tests, first in Canada and among first in world, are aimed at halting canal water seepage which ruins growing soil and softens highway gradings. Mile-long channel is being sprayed with asphalt coating almost one-inch thick and effects of winter weather will be gauged next spring. Cost per mile of lining is $10,000, a heavy economic consideration; estimated lifetime 25 years.

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Manitoba

Winnipeg Fares Go Up: Effective midnight, Nov. 15, street car fares in Winnipeg go from two tickets for 15 cents to three for 25 cents. The monthly transportation ticket, now $7.50, will cost $9; good only in city fare zone. Order for increase was issued Nov. 1 by the municipal and public utility board, which reserved right to amend the order should any change be necessary. Increase will give Winnipeg Electric Co. additional revenue of $495,000 a year and company announced it would put into effect as quickly as possible a 5% wage increase for 1,800 employees, retroactive to April 1. Retroactive pay will amount to about $126,000. Steps are also being taken to work out an adequate pension plan.

Nursery For Pigs: Only one of its kind on this continent, a co-operative "hog hatchery" is under construction in Red River Valley near Morris. Idea for mass sale of weanlings was conceived by Fred W. Hamilton, supervisor of livestock, Manitoba Pool Elevators, who visited Denmark to study technique there. Starting with 50 selected brood sows, it is hoped the scheme will produce a better bacon hog. Farmers will be able to procure inoculated, disease free pigs at six weeks of age. Allowing for 4 months feeding, it will be possible to prepare three lots of hogs each year, thus regulating market, halting glut.

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Ontario

Subway Headaches: Builders of Toronto's Big Noise or Big Hole are experiencing difficulty in developing a subway-conscious attitude among Yonge St. shop-owners inclined to view project as "one of those things sent to try us." Difficulty has cropped up in securing permission of merchants to construct subway entrances inside their buildings. "They don't realize the benefits of having a subway entrance to their premises," said an official. "In New York store owners have to be beaten off with a club." Entrances to underground are to be placed on all four corners of the intersection where station is located. Wherever possible stations will be connected through adjacent store."

Step In Right Direction: with Canadian cities coast to coast crying "shame" at rising traffic toll and issuing laws good and bad to check it, Kitchener and Waterloo have tackled problem where bad habits start — in teen-age driving. Course instituted by University of Toronto was adopted by twin-city educators and students 15 to 20 are drilled in safe driving and sportsmanship; must pass rigorous road tests and prove judgment and efficiency not possessed by many accident-free adults. Coveted award of Ontario Motor League trained driver certificates goes to successful pupil.

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Quebec

Montreal In Enviable Position: Vast concentration of water power almost within the city's limits presents a coming industrial growth that has by far the greatest potentiality of any city in the world, is the view of M. V. Sauer, chief engineer, Beauharnois Light Heat & Power Co. In final development of Beauharnois approximately two million hp will be concentrated in one plant with future development of another million at Lachine. Involved in the picture is a canal 15 miles long and 3,000 feet wide utilizing 82-foot drop from Lake St. Francis and Lake St. Louis which would form part of the St. Lawrence Seaway.

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New Brunswick

Want Building Opened: Big worry at Saint John is new $1,100,000 federally built passenger and immigration building nearing completion and seemingly destined to stand idle during coming winter. Building was constructed 18 years after fire of 1931 destroyed port's Canadian Steamship docks. Arrangements were made with C.N.R. to disembark passengers at Halifax, bring them to Saint John from whence they could continue via C.P.R. Contract was to run 10 years, renewable yearly thereafter but with clause permitting C.P. to terminate arrangement on six months notice. Saint John claims disembarking passengers at Halifax during winter was only a temporary arrangement until building completed. Now ready to staff building overnight but with no assurance it will be used, Saint John is wondering why.

New Rates For Lumbermen: Lower stumpage rates (fee charged for timber cut on crown lands) to help ease operational costs of New Brunswick lumbermen for the 1949-50 cutting season have been announced. Reductions apply generally to both softwoods and hardwoods, with average rate of stumpage decrease being one dollar. In announcing the new schedule, Minister of Lands and Mines Gill pointed out a change respecting cutting which will tend to preserve scenic and fishing areas, reduce hazard of forest fires. No cutting, excavation, or construction will be allowed on crown land under license within 200 feet of the centre line of any public highway, transmission line, or within 200 feet of the bank or shore of any crown leased watercourse, without the approval, and under the direction, of the district forester.

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Prince Edward Is.

Allotted 3,100 Freight Cars: Island produce shippers need not worry so much about shortage of railway cars this winter. C.N.R. officials announced an increase in 500 cars would be allotted for turnips, making a total of 1,600 and 1,500 cars for potatoes. Car shortage has hampered Island trading for the last several years, until the shippers formed an advisory committee to negotiate with the railway for sufficient reefers.

Plan 5-year Expansion: Maritime Electric Co. plans considerable expansion in Prince Ewdard Island after refinancing scheme is completed. At a recent rate hearing Dennis Stairs, company director, said a new 7,500 K.W. steam turbine is almost ready, will double plant capacity. Rural electrification of 100 miles per year for the next five years, without Government assistance is also planned.

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Nova Scotia

Invitation from Halifax: Sponsored by a group of shipping and industrial leaders boosting the port, second annual Marine and Industrial Exhibition is scheduled to get under way at Halifax, Nov. 14-19. City this year is celebrating its 200th birthday while far to the west Winnipeg is marking its 75th year. Coupling this with the fact that the western city is the funnel through which much export wheat flows, Halifax "Ex" officials have invited Winnipeg to select two student landlubbers to be their guests. Students will travel the wheat route, see salt water for the first time, participate in the colorful drama of docking "Aquitania," world's fifth largest ship.

Pit Prop Let Down: Suspension of British pit prop purchases is viewed as meaning the end of a $1,000,000 industry in Nova Scotia as practically all props produced were shipped to the United Kingdom. Hard hit will be farmers who cut props in off season and counted on several hundred dollars yearly cash income therefrom. Longshoremen, too, regard suspension as a "serious blow" as loading of props constituted one-third of the stevedoring work during the summer.

Newfoundland

Bus Line Offer: St. John's citizens, traveling in converted hearses, station wagons and other catch-as-catch-can conveyances for some two months following strike which resulted in regular bus company losing its franchise may soon be traveling in proper style again. An American company is reported prepared to set up a fleet of 25 buses in the city if it can obtain a franchise; would agree to posting a $50,000 bond with Council for a 10-year period, offer 22% of net proceeds to the city.

Devaluation Cuts Work: Anglo-Newfoundland Development Co. went on a five day work week on Nov. 1, it was announced, due to present market position brought about by devaluation of sterling and world-wide shortage of dollars. The five-day week will remain in effect until the market position is clarified, Philip Gruchy, company manager said. At the same time 115 temporary employees were laid off while another 100 men will be laid off soon from seasonal woods operations.

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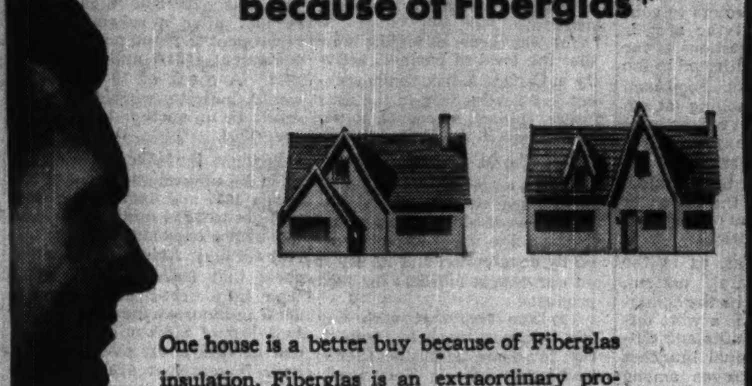

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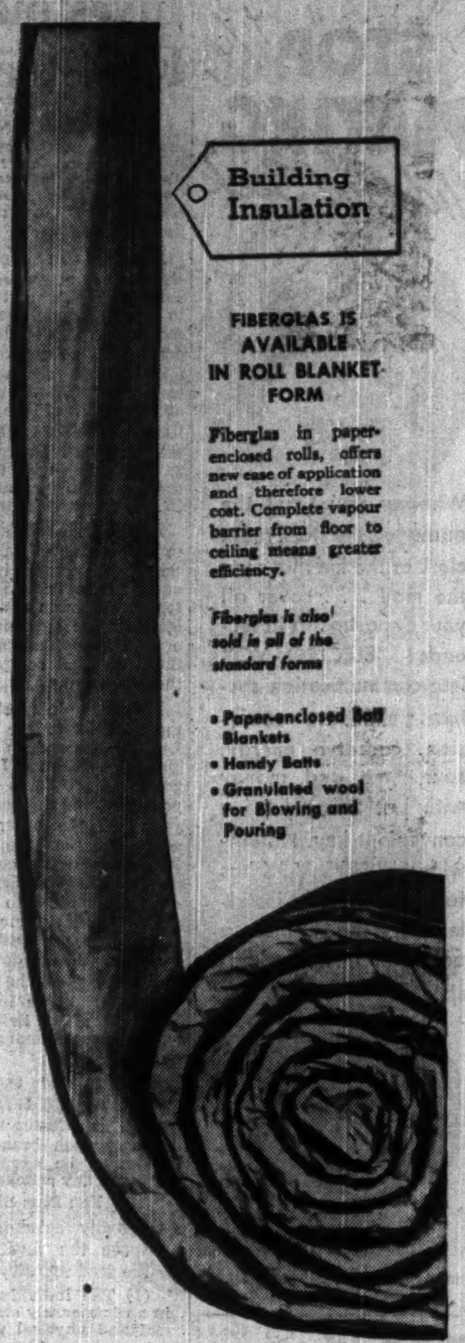

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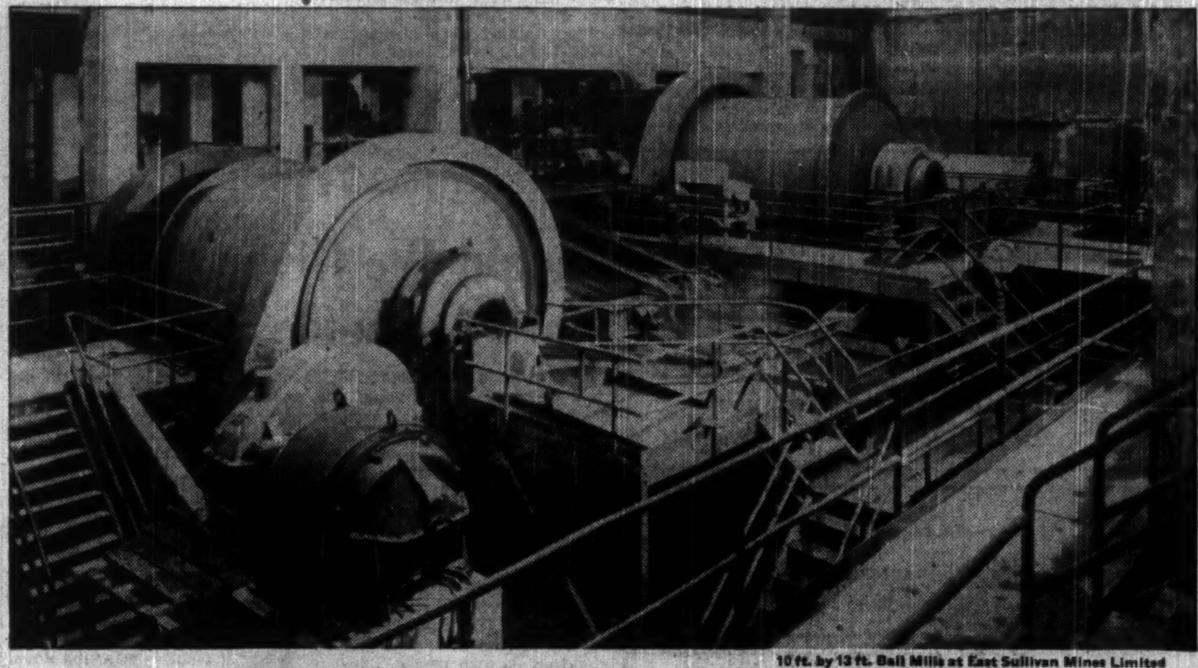

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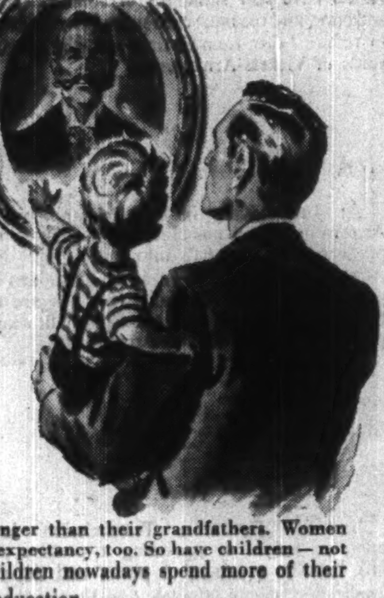

Life has Changed for the Family Man

Most men live longer than their grandfathers. Women have a better life expectancy, too. So have children — not only that, but children nowadays spend more of their years getting an education.

These facts have brought significant changes in the family man's financial obligations. They mean that he must *be prepared to support everyone in his family longer — including himself!*

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THE ADVERTISING BUSINESS — By WALLACE GILLESPIE

How Should Ad Budget Be Set Up?

U. S. Analysis Reveals Weak Spots in Haphazard System

The typical advertising budget is a total dollar figure "imposed" by top management, usually in relation to sales volume. Generally it is limited to periods of one year or less, and this hampers adequate consideration of longer-term planning.

In spending the predetermined sum, advertising management has very limited flexibility of action. Certainly it seldom has a voice in new product development or innovation. Scant attention is given to changes which affect the purchasing power of the advertising dollar. With most budget-makers, it's a matter of exclusive attention for specific product advertising.

There are, of course, notable exceptions. But that's pretty much the situation as Dean G. Rowland Collins of New York University found it while participating in an Association of National Advertiser's examination of methods for setting up advertising appropriations.

The examination started two years ago, and W. B. Potter, chairman of the ANA board, says it has as its objective the investigation of such questions as:

Topics for Study

What items go into an advertising budget? How do some of these items reduce a company's selling expense? How much money can a company afford to spend in launching a new product? How much can be spent for maintaining or increasing the sales of old products? How much should be put against an unusual competitive activity? How much should be invested for the permanent preservation of brand names and consumer consciousness of a company? What is adequate market coverage? Is there a point of diminishing returns after a certain level has been reached in market coverage? In prosperous times, how can we set up reserves for advertising? How much can we take out of profits in less prosperous times when stockholders are clamoring for dividends?

The ANA committee, which is working with faculty members of New York University's Graduate School of Business Administration, has already published a bibliography of available published material on budgeting practice. It is now proceeding with depth interviews with some of the United States' big advertisers.

On the basis of what has been uncovered so far, Dean Collins made three personal recommendations to the recent ANA convention which would have the effect of co-ordinating new product development and advertising efforts of individual corporations.

Specifically he suggested that companies should set aside, from retained earnings, a "Fund and Reserve for Product Development and Promotion."

What's Wrong Now

Here are eight observations which Dean Collins makes on current budgeting practice. He is speaking personally. The committee has not yet presented a report on the interview examinations.

1. It is apparent that during the past year, advertising appropriations have been curtailed by many companies in a direct relationship to declining sales volumes but without any traceable relationship to earnings, to additions to surplus, or to changes in the relationship of liquid assets to current or to total assets or to the intensity of competition. Some companies, of course, have increased their advertising expenditures modestly in spite of sales declines.

2. In many instances, top management continues to impose upon the advertising department a total dollar restriction for advertising expenditures, a total figure arrived at by the application of a rule-of-thumb and customary percentage to some historical base.

3. The practice of budgeting for advertising expenditures continues to be carried forward on an "upside down" basis

All too frequently, advertising budget-making starts with a total dollar figure for a fiscal period determined and imposed by top management with or without consultation with the advertising management. Then advertising management analytically breaks down this arbitrary total dollar figure to products, territories, dealers, and so on. Often, indeed, the analytical techniques that are used are entirely free from possible scientific criticism. However, one can seriously question the offsetting power of sound analytical methods against the probable errors of a predetermined dollar figure arrived at by using a conventional percentage of some historical base.

Longer Planning

4. The typical practice of budgeting for advertising expenditures is sharply limited to the consideration of periods of one year or less. Thus far in the continuing study, much long-range thinking about future needs for advertising moneys is not at all evident. Short-range estimates, if they are rigidly adhered to, can ensnare or trap our thinking, can push us back on last year's recorded actuals, can overemphasize constant factors that may not remain constant, can hamstring dynamic progress. Currently, at least, there seems to be no forward thinking about any provision for creating advertising funds that will maintain and develop the enterprise through one set of business conditions to the other. There is in our advertising picture, undue deference to a conservative accounting and tax opinion that actually does not need to restrict constructive action.

5. In many cases advertising management is permitted to exercise very little flexibility of action within the confines of the advertising appropriation that has already been approved by top management, budget committees, or corporate directorates. Too often, this means that in an emergency situation, advertising management must postpone action until it goes through a delaying process of presenting a special plea to several operating levels of top management and then to a budget committee or to the Board of Directors. And often, thereby, the new request opens the way for direct reference by top management to the current trend of sales volumes with a resultant negative decision that squarely reflects the pestilent notion that sales produce advertising.

Distribution Factors

6. Except in scattered instances, top management has not come to grips in any vital way with the actualities of decreased purchasing power of the manufacturer's national advertising dollar. It is rather widely admitted that the advertising dollar of 1949 and 1950 cannot come within at least 30% of buying what it did in 1942. And it may well be that even this estimate or guess does not take adequate account of the changing character of our population or the sharp increase in fixed habit in the market because of the number of our people who are 50 years of age and over.

Nor in all probability does it take adequate account of such changes in distributive conditions as the continuing growth of nationally-advertised distributors' brands, the so-called self-service and self-selection techniques of the 400 retail giants who do over half of our total retail volume in most merchandise categories, who do very little aggressively to build demand for manufacturers' brands, and who expect — even insist — that the manufacturer's national advertising must pull his brands up from below the counter, across it, and into the consumer's hands.

7. In many instances advertising management has little or no contact with the activity of product development, with adaptation or innovation. Certainly, there is little integration of advertising thinking with product research in terms of future planning, in terms of timing the introduction of product innovations or changes, in terms of a co-ordinating of factory capacity with available funds for necessary promotion, or even in terms of a hard-boiled analysis of what a stiffening competition may do to the present product line unless additions are made to it or unless product adaptation is speedily achieved.

8. Specific product advertising receives the exclusive attention of most budget-makers. Important as specific product advertising is in all situations, it hardly seems sound to neglect enterprise advertising however top management may limit an over-all appropriation. There is, generally I think, an important economic place for enterprise advertising —for institutional advertising, for advertising that implements a public relations program, and even for climate advertising aimed at an understanding of and a belief in the need to preserve our economic system.

Sounder Budgeting

To put budgeting practice on a sounder basis, Dean Collins advances the following three suggestions:

1. Corporate directorates and top managements need, at this juncture, to give careful thought to the management of retained earnings not only to finance the future needs of tangible assets—plant and equipment—but also to finance the future needs of intangible assets — new product development, goodwill, etc.

If it is true, as it seems to be, that in 1920 we invested about 3.4% of national income in all forms of promotion and that in 1948 we invested only 1.8%, it may be that we are attempting the impossible. Perhaps we simply cannot hold up a factory output that has tripled in that spread of years if we are going to spend a smaller percentage of our national income on promotion.

Alert corporate directorates and top managements, looking to the future, need to plan to earmark a much larger share of retained earnings for market expansion and for product innovation and a lesser share for increased output for present product lines. Such a policy will mitigate the dangers of so-called overproduction and will hold in check the threat of increased governmental intervention in the interest of full employment.

New Consumer Demands

2. Corporate directorates and top managements need to disabuse their minds of the commonly-held notion that the challenge of a buyers' market can only be met successfully by one or the other of two methods, namely (a) by promotion expenditures, or (b) by product and process improvements with consequent price reductions. This particular "either-or" is pretty much business nonsense. These two methods of meeting intensified competition are not mutually exclusive.

To rely solely upon blowing up promotion and advertising expense for established product lines may not lead to sound growth or even to the maintenance of a status quo. It may merely force markets for a time.

And to rely solely upon product innovation and process improvement to yield lower per unit production costs may not produce lower selling prices and growing sales volumes unless the product innovations and selling prices are prompted by advertising dollars.

New product innovations that give rise to new consumer demands, in lieu of a futile forcing of established product lines, promise growth. Certainly, some of the most successful corporations owe much of their present stature to their willingness to invest huge sums of retained earnings in product development instead of concentrating continually on producing larger quantities of their established product lines.

Suggests Fund

3. To meet the keenly competitive buyers' market that stretches out ahead, corporate directing and managing minds should grapple with the idea of providing and managing retained earnings to set aside both a Fund and a Reserve for Product Development and Promotion. This funded reserve will assure the future availability of adequate moneys not only to perfect and to test new product innovations but also to carry on an effective promotion of these products during the time when current returns from their sale cannot be expected to carry their costs.

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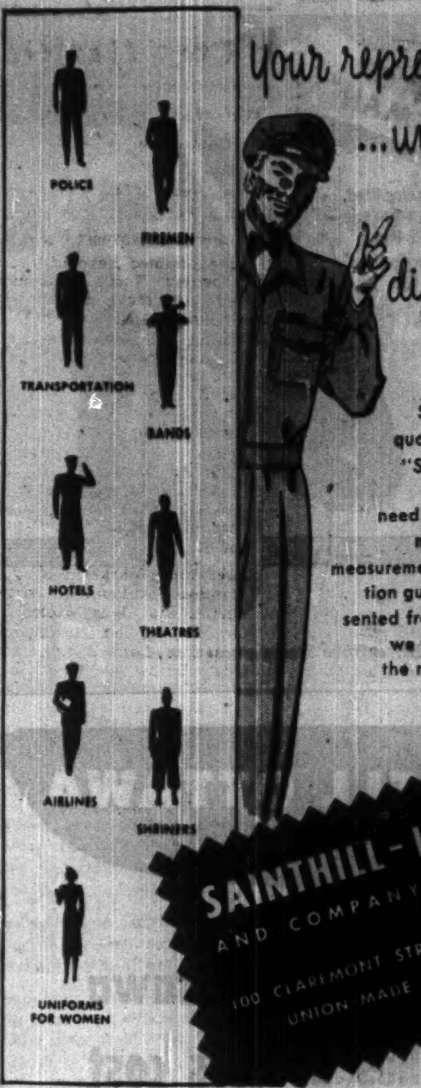

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What's New

New Products Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Plastic Flower Pots

Colored plastic flower pots are said to be scientifically planned to improve plant growth. Made of nonporous plastic which prevents rapid evaporation of moisture Chicago maker states. Inside surface serrated to provide air circulation. No opening in bottom for water or dirt to seep through. Circular design, 4½ in. and 5 in. high. Light in weight, practically unbreakable, it is said. Available in bright red, kelly green, ivory, pearl white.

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Rubber Whistle

New rubber crib toy is rubber whistle, first to be produced without metal parts. Maker says the new whistle is lasting and flexible; no metal to cut the toy or fall out for youngsters to swallow.

• • •

Keeps Floor Dry

Shower seal that attaches to the shower curtain will eliminate water on bathroom floor, states Connecticut maker. By suction cups, seal holds curtain against wall and tub.

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Expands Closet

The closet "Xpanda," hung without nails or screws from clothes bar of any closet or locker, is said to accommodate, without crushing, 10 garments in space usually occupied by two. Unit is made of steel, heavily nickel-plated, is rust-resistant and harmless to all fabrics, New York firm states. Can also be used in autos to carry clothes while traveling, and fits in garment bags as well.

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Plastic Shades

Vinylite plastic film specifically formulated for the window-shade market is said to combine qualities of toughness and durability with smooth and lustrous finish. The finished window shades, known as "Plastishades," can be cleaned with soap and a damp cloth, Ohio maker states. Material is unaffected by moisture, mildew or insects, will not tear or puncture in normal use and does not support flame; is resistant to fading, cracking, shrinking and staining, does not ravel and has no filling to break or fall out, cite makers. Shades come in ivory, white, green and tan. Price competitive with conventional-type shade.

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Cleaning Fabric

"Miracloth," new nonwoven fabric for all household cleaning use — dusting, polishing, washing, etc. — is now being distributed in Canada. Simple rinsing in plain water makes it spotlessly clean it is claimed; only a little soap required for grease and ground-in grime. Comes in a 10-yd. roll, 16 in. wide. Can be torn off in same manner as waxpaper.

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Household Hanger

"Hang-it" is household hanger with new nickel-plate finish being distributed in Canada. Is a positive gravity grip for brooms, mops, garden tools, shovels, or any item with handle of wood or metal. Handle can be quickly inserted or removed from hook with one hand, it is stated.

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Nylon Typing Ribbon

An all-nylon inked typing ribbon, New York maker claims, has excellent writing qualities and extreme durability. Exceptionally sharp, clear impressions are produced due to thinness and flexibility of the fabric, it is said, and its long-wearing qualities result in substantial savings. Specially developed ink applied according to individual requirements of specific machines, thereby making possible perfect impressions from the first typing stroke, states maker.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

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Garment Decal

Colorful new decal transfer, the "Fabri-cal," developed for use on ties, sport shirts, skirts, scarves, blouses, children's clothes, etc. May be applied safely and permanently to heat-sensitive fabrics (nylon, acetate and viscose rayons, and silk) as well as to heat-resistant cottons and woolens, Chicago company claims. User irons it at ironing temperature of the fabric. Comes in large assortment of designs, in large and small patterns, warm or muted colors, bright florals, juvenile designs or monograms.

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"Stop-Step" Ladder

Step ladder for bank vaults manufactured in Kansas City, Mo., is said to be so light it rolls at touch of finger, yet locks to floor with slightest pressure. The "Stop-Step" ladder, of aluminum construction, features "Anchor-Cup" rollers on all four legs which move freely on ball bearing, self-locking wheels. Rubber tip on the "Anchor-Cup" prevents marring of surfaces; steps are nonslip.

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Easy-to-Use Meter

"Red Dot" light exposure meter offered by Pennsylvania company is said to be inexpensive and simple to use. Works on the photometric principle. Compactly designed for one-hand use, the meter has the appearance of a photo-electric type meter. Meter is calibrated for film speeds from six to 400 ASA and has a range of shutter speeds from two seconds to 1-800th, apertures from f:1.4 to f:45. Lamp is long lasting since it is run at less than normal voltage and may thus be expected to hold its calibration over a long period, states maker. Two special penlight batteries are easily replaced.

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Lightweight Trailer Van

"Brant Chief," semitrailer van designed and built by Canadian company, features weight saving and durability. Considerable weight savings made possible by new design, in which proven principles of aircraft and bridge construction have been applied, states maker. Typical example of new scale of weights: 6,350 lb. for 26-ft. unit; structural strength enables greatly increased payloads to be carried. Dustproof interior is provided by new heavy duty door seal.

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Non-Skid Floor Plate

"A. W. Algrip" is nonskid floor plate made by combining abrasive grain and rolled steel, said to be especially effective for industrial floors, loading platforms and ramps, etc. Available in thickness from ⅛ in. to ⅜ in. inclusive, and in widths up to 60 in. maximum by 144 in. long. Major market seen where there is danger of men slipping and injuring themselves, Pennsylvania maker states.

• • •

Cleans Polystyrene

Liquid cleaner said to quickly remove unwanted lacquer, grease stains, mold lubricants and foreign matter from polystyrene surfaces is being introduced to the plastics industry by New York firm. "Poly-Kleen" is said to be more effective than soap and water cleaning methods, won't cause marks on surface of polystyrene.

• • •

Rubber Tractor Spring

Rubber springs which take the "jerks" and "bumps" out of riding a tractor operate on a torsional shear principle, New York maker states. Consist of thick layer of especially compounded rubber sandwiched between two metal plates. The rubber is fastened to metal by a special brass plating process. Mounted in pairs on a tractor seat, the springs cushion initial shock and level out the sharp rebound which normally occurs with use of a heavy steel spring, it is said.

CARL R. VINCENT, Who has been appointed Manager of the Crown Trust Company's Winnipeg office to succeed the late Mr. Albert B. Hornby. Born in Winnipeg, Mr. Vincent has had twenty-five years' experience in the Trust business.

*

Newsprint Demand in U.S. Boosts Canada Production

MONTREAL (Staff)— With Canadian newsprint production continuing to increase over 1948 figures, U. S. newspapers are increasing their use of newsprint, compared to last year, at an even higher rate, according to reports issued by the American Newspaper Publishers' Association.

September consumption in U. S. is estimated at 451,301 tons; for the first nine months, 3,933,043 tons. Reporting ANPA newspapers showed increases of 5.7% and 7.1% for the one-month and nine-month periods, respectively.

Canadian mills turned out 415,179 tons in September of which 367,668 or 84% went to U. S. This meant increased output of 1.6% over the same month last year and 5.5% greater tonnage for U. S. market. Shipments to other markets were down from last year, notably in South America and Africa.

Nine month's Canadian production was up 5.2% over last year at 3,889,038 tons (3,695,112).

For fourth month in a row, however, Canadian production expressed as a percentage of its rated capacity (5,113,108 tons in 1949 vs. 4,883,127 last year) was below 1948 level. Output has averaged 101.6% of total capacity so far this year against 102.0% for 1948. This reflects trend predicted by the Newsprint Association of Canada at the recent publishers-producers meeting at Quebec, in which estimates for 1950 showed Canadian industry will be operating at a level 2.7% below rated capacity next year. However, that capacity will have increased by then to 5,250,000 tons, and the actual drop in production is expected to be only 40,000 tons.

U. S. September production was down 3.5% at 68,919 tons and shipments fell of 6.1% to 67,933, compared with 1948. Their imports of 17,100 tons from Europe, however, represented a 14.4% increase. Of total U. S. supply, 81.5% was from Canada, 14.7% from their own mills and 3.8% from Europe.

Both U. S. consumers' and Canadian mills' stocks were down from the end of August, but were higher than at the end of September last year. Consumers totals were 781,396 tons or 48 days supply (661,357 or 37 days a year ago); Canadian mills stocks, 162,569 (124,222).

COMPANY REPORTS

UNITED GRAIN GROWERS net profit for year ended July 31, 1949 amounted to $518,710, up 35.4% from $383,076 in previous year. Inventories were up $1,520,152 to $6,249,947. Net fixed assets increased by $601,235 during the year.

CONS. INCOME ACCOUNT

Years Ended July 31:	1949	1948
Net earnings†	$1,338,985	$1,068,893
Less: Deprec.	390,275	504,540
Bond interest	130,000	86,983
Income tax	300,000	190,000
Add: Asset sale	......	95,706
Net profit	518,710	383,076
Less: Divds.	200,420	178,619
Surplus for year	318,290	204,457

†After providing patronage dividends of $360,000 in 1949, $250,000 in 1948.

Times Fixed Charges Earned:		
Before deprec.	10.30	12.29
After deprec.	7.30	6.49
Earnings per Share and Dividend Record:		
Cl. A: Earned	$2.78	$2.32
Paid	1.00	1.00
Cl. B: Earned	6.12	4.04
Paid	‡	‡(0.75)

‡Divd. of 25c appropriated from accounts in each year and set aside for possible future payments; divd. of 75c paid Oct. 1, 1947, from previous years' appropriations.

CONDENSED CONS. BALANCE SHEET

As at July 31:	1949	1948
Cash & Dom. bds.	$1,761,770	$1,583,311
Accts. rec.	723,654	639,132
Inventories	6,249,947	4,729,795
Total curr. assets	8,735,371	6,952,238
Prep. & def. chgs.§	117,626	106,359
Misc. assets	172,078	233,814
Fixed assets*	7,539,288	6,938,053
Total assets	16,564,363	14,230,464
Accts. & tax. pay.	1,949,581	2,005,422
Patronage div. res.	360,000	250,000
3% ser. bds. due	300,000	......
Other curr. liab.	2,881,776	1,902,837
Total curr. liab.	5,491,357	4,158,259
Deferred sh. certif.	......	168,458
Pat. div. cr. def.	259,620	......
Funded debt	3,450,000	3,750,000
General reserve	2,000,000	1,647,057
Capital stock	4,067,565	3,570,025
Capital surplus	170,458	170,458
Earned surplus	‡1,185,363	†766,207
*After depr. of	7,971,550	7,813,916

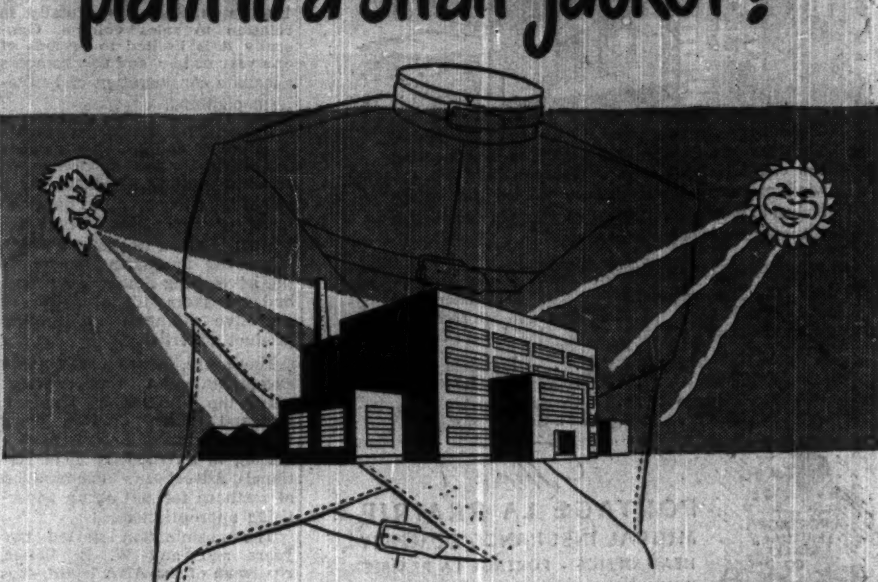
†After bond disc. & exp. w/o of $70,251.

‡Includes $128,809 prof. on property sale and $325,000 credit adjust. re prior year's taxes, after $352,943 transfer to general reserve.

§Incl. in curr. assets in co's report.

Working capital	3,244,014	2,793,979

Is your industrial heating plant in a strait-jacket?

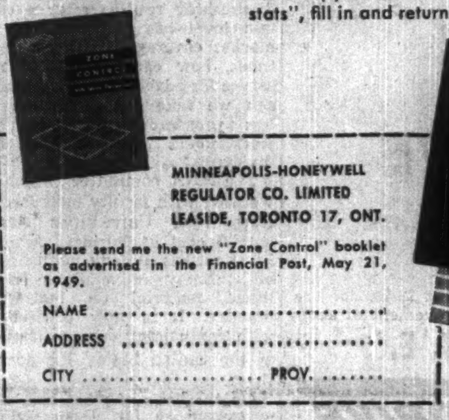


Your heating plant is in a strait-jacket if it does not provide heat as, when and where required, in all weather. Strait-jacket heating wastes fuel dollars, causes discomfort . . . may lower worker efficiency.

Honeywell Zone Control removes strait-jackets from heating plants . . . makes them meet comfort heating requirements THROUGHOUT the building at substantial fuel savings.

Thermostats, strategically located, operate motorized valves on distribution lines which supply building zones. Each zone receives only the amount of heat required to maintain the desired temperature level.

Zoning overcomes the effects of sun and wind on different parts of the building. Offices are kept comfortably warm, while manufacturing and shipping areas are held at manual work levels. Building sections of different construction, with wide variations in heat loss, can be separately zoned to further reduce heating cost. For a copy of our new booklet, "Zone Control With Inside Thermostats", fill in and return coupon today.



MINNEAPOLIS-HONEYWELL REGULATOR CO. LIMITED
LEASIDE, TORONTO 17, ONT.

Please send me the new "Zone Control" booklet as advertised in the Financial Post, May 21, 1949.

NAME ....
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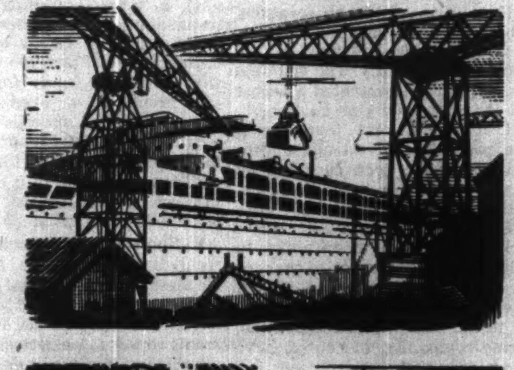
MINNEAPOLIS Honeywell TEMPERATURE CONTROLS

Vickers-Armstrongs built it



The largest merchant vessel to be launched in 1948, the 28,250-ton S.S. 'Himalaya' is now in service on the London/Sydney run. She was built at Barrow-in-Furness, England, where so many outstanding examples of shipbuilding have been carried out. Notable among these are the 12,500-ton 'Presidente Peron'—now sailing between London and Buenos Aires—and her two sister ships, at present under construction. These vessels have new standards of comfort for passengers and crew, and the most efficient cargo handling machinery to reduce 'turn-round' time—worthy products of the yards of Vickers-Armstrongs.

At Leopoldville in the Belgian Congo, Vickers-Armstrongs' soap machinery is helping to turn locally produced raw materials into toilet soap. Not only in Africa, but in places as far apart as Malden (Massachusetts), Zürich and Toronto, factories are turning out high grade products with precision-built soap mills and plodders built by Vickers-Armstrongs.

'VSG' Hydraulic Transmission is a simply operated means of providing a positive and flexible link between a source of power and the point of its application, giving infinitely variable speed from zero to maximum. A typical example is the driving of a trawler's winch from an auxiliary Diesel engine, giving to the winch the advantages of steam drive. Recent applications include the operation of furnace doors at Stavanger in Norway and control mechanism for a transporter bridge across the River Tigris in Iran. The 'VSG' Hydraulic Transmission provides another example of industrial efficiency promoted by the engineering works of Vickers-Armstrongs.

Vickers-Armstrongs, with two shipyards, five engineering works and two aircraft production works in England, are working for the world. Their experienced designers, engineers and comprehensively equipped workshops are ready to tackle any engineering problem. With associate companies and representatives in British Commonwealth and foreign countries, no country is too distant to call for their advice, no project too great for their resources. *Vickers-Armstrongs can build it.*

Vickers-Armstrongs Limited

VICKERS HOUSE : BROADWAY : LONDON : ENGLAND

OB86

SHIPBUILDERS ENGINEERS AIRCRAFT CONSTRUCTORS

The Financial Post

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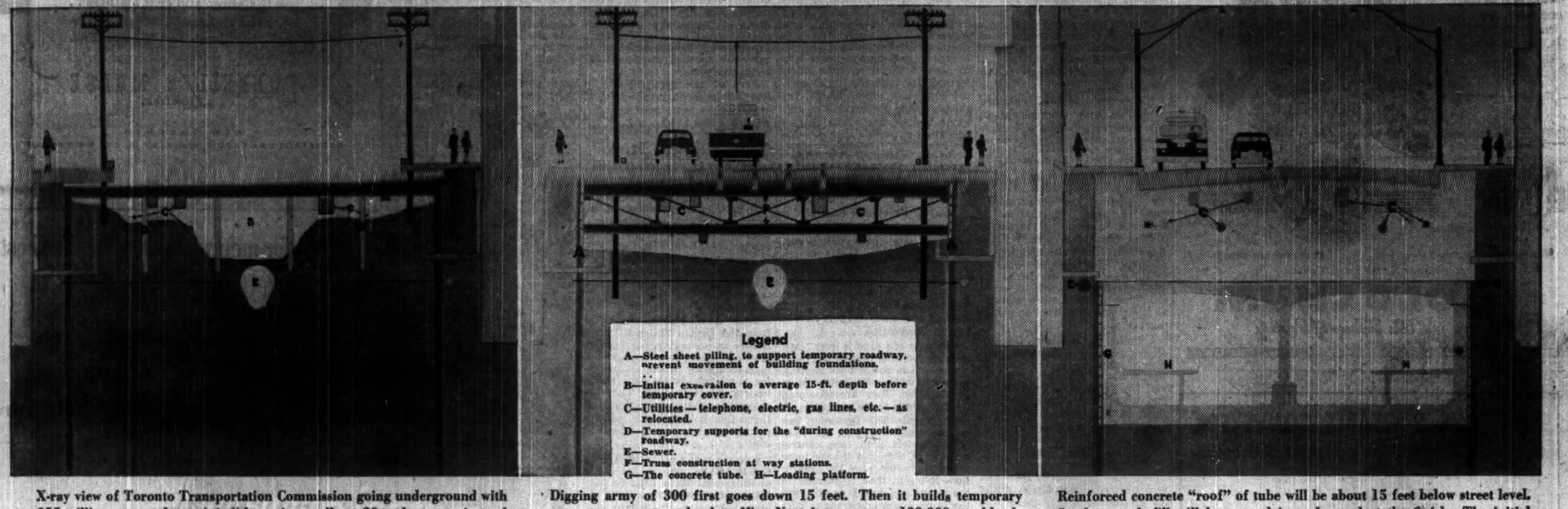
When The 'Big Hole' Is Finished They'll Move Toronto Traffic Faster



X-ray view of Toronto Transportation Commission going underground with $55 millions to speed transit in "the main stem" at a 20-mph average instead of the present sleepy 6-mph crawl. Pitts-Johnson-Drake-Perini has $10 million contract for an initial 7,000 feet of the tube.

Digging army of 300 first goes down 15 feet. Then it builds temporary cover to carry street-level traffic. Next it carves out 100,000 truckloads of earth, clay and rock to full depth of an average of 45 feet. Thousands of tons of concrete and steel will go into the tube itself.

Reinforced concrete "roof" of tube will be about 15 feet below street level. So that much fill will be poured in and paved at the finish. The initial contract—along Front St. and up Yonge to College — will be finished in 1952. Then the line will head north by off-street open cut.

When Will Motorist Get More For His Gas Dollar?

Auto-Makers, Oil Men See Better Mileage From New Engine-Fuel Combination

By STAFF WRITER

How many miles to the gallon do you get? What are the chances of getting more?

According to a story being circulated as fact in the East, it won't be long until we'll be getting 200 to the gallon!

Somewhere always there's a rumor running around about a car that will make 200 miles to the gallon. That's the figure in the current yarn. Why these constant rumors?

To motorists, gasoline mileage is a topic for never-ending discussion. To them it's what the weather is to general conversation. Fiction or fact, it's all the same.

And why not? This year's gasoline bill will likely run to whopping $500 millions. Consumption will be an astronomical 1.5 billion gallons.

In Toronto today the average price is 41.5c a gallon. The average car is doing fine if it goes 20 miles on a gallon, counting city and country driving. Over a year, Mr. Average Motorist burns about 465 gallons (in Ontario). At today's prices, that's about $190 a year.

No wonder motorists are ready to lend an ear to almost any kind of a story about some new process or technique which will increase gasoline mileage.

If it isn't a magic carburetor, it's a chemical tablet to change water or kerosene into high test gasoline. The 200-mile-per-gallon car is the latest and perhaps most fanciful of a lot of fancy stories.

Yet while this piece of fiction is being circulated as fact, real progress is being made toward improving gasoline mileage.

Engine, Fuel Combination

Within sight is a combination of engine and fuel which will give from 30%-45% more miles to the gallon.

Every major automobile manufacturer and oil company is working on it. One firm has already got one of the new type engines in production. There's no secret about the gasoline; just new plant and technique to make it in quantity.

The combination could save Canadian motorists $100 millions a year, United States, $1 billion!

How? What kind of engine is involved; what kind of fuel? If it's such a sure fire combination, why haven't we had it before? How much longer will we have to wait?

How? With high compression engines and high octane fuel. Between them, says C. H. Kettering, General Motors research engineer, they should save up to 45% on gasoline consumption. Kettering is the designer of G. M.'s high compression engine which is now in production and used in some G. M. lines.

The key to when motorists can expect to cash in on this combination is timing. Like a daily double at the race track, one winner is no good without the other. There isn't much point in making high compression engines if there's no high octane fuel and vice versa. That's what the two industries are working on now.

To see how far they've got, let's look at the engine. The basic difference is in the compression ratio. Thirty years ago, the average ratio was 4-1. Today it's about 7-1. Tomorrow? 12-1. This is the key to engine efficiency. For example, engines with ratios ranging from 5 to 7-1 have an efficiency rating of 20%-25%. In other words, in terms of motive power you get 20c-25c out of every dollar's worth of gasoline you buy. High compression jumps engine efficiency up to a point where, at ratios of 12 and 17-1, it might be as high as 40%.

GM's Kettering says at 40 mph, today's engine has a fuel economy of only 18.5% against 26.5% for the 12-1 ratio. This is an improvement of about 60%. At 60 mph, the new ratio is 35% better. Tests entirely in city traffic indicate gains of 40%.

What about disadvantages? Many of the headaches expected by Kettering failed to materialize. Engine roughness was one. This was eliminated by proper structural design. Cold starting was another, but it has not been found to be a factor in temperatures encountered in Detroit.

What is the compression ratio? Very simply, the number of times the gasoline and air mixture is compressed before being ignited. The greater the compression, the bigger the explosion. Result, more downward thrust in the piston, greater power, more miles to the gallon.

At a ratio of 12-1, the pressure in the cylinder reaches 1,200 lbs. per sq. in. or a force of 6½ tons on the piston head every time the cylinder fires. Present pressures run around 600 lbs. Only in Diesel engines are pressures like 1,200 lbs. attained.

Doubling cylinder pressure has been a problem for years, because of the extra strength required to contain it. It was solved by building a very rigid engine structure, although not much heavier, and is an adaptation of Diesel design.

Fuel Is Key

However, all this hinges on the fuel. Gasoline, depending on its quality, can only stand so much compression (see accompanying table). If squeezed too much, the fuel burns too fast. This causes "pinging" or knock which spells loss of power.

The full efficiency of higher compression engines is therefore dependent on higher quality gasolines. As the engine ratio moved up, so did gasoline quality; from 50 octane to 60. As a result, mileage has been increased one third in the last 30 years.

A big factor in improved gasoline has been Ethyl. This anti-knock compound will raise octane rating as much as 20 points, depending on the amount used and the gasoline itself.

Now the automobile industry is talking in terms of ratios of 12-1.

The largest auto maker in the world—General Motors Corp.—has committed itself to the high compression engine. The first cars specifically designed to take advantage of the high compression theory started to roll out of the factories in Lansing, Mich., and Detroit this year. They are the 1949 Cadillacs and big Oldsmobiles. What makes the new cars important is not so much the increased compression ratios — they are actually not startlingly above some other cars on the road—but the new engines with only minor changes can be boosted to much higher compression ratios than they now have.

"These new engines are trial balloons to give the petroleum industry assurance that we mean business when we talk about high compression," declared GM's Engineering Vice-President James M. Crawford.

GM's decision was made from three alternatives:

1. New engine
2. Supercharging
3. Use of dual fuel.

Supercharging permits the engine to get by on a lower octane fuel but it requires a bulky and expensive supercharging device.

Dual fuel is a system of feeding high and low grades into the engine as it can be most economically used.

GM decided on high compression ratios.

For the oil industry, the challenge poses some knotty problems. First, octane rating would have to be stepped up to 100—aviation fuel.

What does octane rating mean?

A refiner explained it this way: it is a laboratory measure of the ability of a gasoline to withstand knocking. The poorest fuel—N-Heptane—was given an arbitrary value of zero; the best—Iso-Octane—100. These became the primary reference fuels. When we say a fuel has an octane number of 85 we mean it performs the same way as a blend of 85% Iso-Octane and 15% N-Heptane.

But this doesn't present any real difficulties. There's nothing new about 100 octane gas. The industry produced millions of gallons during the war for aviation fuel. They have the know how. The big obstacle is one of straight economics.

Actually oil companies could shift part of their aviation gasoline output to service stations right now to sell from a third pump. But based on today's tank wagon prices the gasoline would have to sell for at least 60c a gallon. This would pretty well cancel out the economies from the new engine.

"If we were able to turn our plants over completely to the new fuel it would be an entirely different matter," an oil official told The Financial Post. "We could quickly get the cost down closer to that of today's premium grade fuel."

But here is the catch. Average annual new car registration never represents any more than 10% of the total car population. Therefore, the main demand would continue for several years to be for standard gasoline for older cars which wouldn't at first be equipped to operate any better on the new gas than on the old.

"This," the oil men say, "is the whole crux of the situation," arguing why both engine and gas changes should be made in two or three stages over the next few years.

In the meantime, every Canadian and U. S. oil company is perfecting or pushing to completion new catalytic cracking refineries so as to be able to take care of the car of tomorrow. In the new refinery technique, not only gasoline of higher octane numbers are produced, but about twice as much can be obtained from the same amount of crude oil.

How long will it take? On paper, say the experts, it could be ready in two years; actually, it will be more like five or ten. And then it will be a very gradual process, and will depend on the degree of co-operation betwen the two industries serving the motorist.

From now on it is just a question of timing. Every major oil refining company in Canada and the U. S. is in the field. It will be a hard competitive race but to stay on the sidelines means going out of business.

A 35%-45% increase in gas mileage is a long way from the magic carburetor or the 200-mile-a-gallon mystery car, but it's a real development out of an engineer's laboratory, not a Utopian dream.

More Miles Per Gallon

Following is a chart displayed at the General Motors Exhibit at the New York Transportation Show early this year. It shows the company's estimates of fuel saving with higher compression ratio engines. The proper gasoline octane requirements for each compression ratio is shown in the third column.

Compression Ratio	% Gain In Economy	Octane Requirements
6.50 to 1	0	80
8.00 to 1	10 to 20	93
10.00 to 1	25 to 35	98
12.00 to 1	30 to 35	100 plus

They're Calling It the Quietest Boom Town in History

Oil Does Astonishing Things For Edmonton – And Here's Why No-One's Raving About It

By RONALD WILLIAMS

EDMONTON (Staff)—In its 150 years, Edmonton has seen six separate and distinct booms—furs, Klondike, land, air, mining and war.

Now it has its seventh on its hands. This time it's an oil boom, the biggest and strangest of them all.

Strangest because Edmonton isn't excited about it, despite the astonishing things it's already done for the city and the promise it holds for the future.

As a visiting Texas oilman said: "It must be the quietest boom town in history."

Yet Edmonton has more to boast about than perhaps any city on the continent. Last year 68 new industries moved into town; this year another 50. Since the first oil strike in 1947, 100 oil companies have checked in.

Oil workers flocked in. In 16 months, they helped boost the population by 8,000. Since then, another 10,000 have raised the figure to a record 137,000. Against a Canada-wide population increase of 1%, Edmonton's has gone up 9%. Since 1940, they've gained 40,000,

It has the biggest airport in Canada and on a direct route to the Orient. It handles more air freight than any other city in the world. No other airport exceeds it in landings and take-offs. Yet it's located within the city limits and only a five minute taxi-ride from downtown hotels.

From the area's rich storehouse of natural resources—$100,000 in oil, gas and coal are taken daily from the earth. Under the city proper is a coal mine. The rich black soil around the town has never let the farmers down. They don't know what a crop failure is.

The city's backdoor opens on to the north and the arctic, a treasure house of fur, fish, gold, silver and uranium.

New industries have added $12 millions annually to payrolls. At Sept. 12, there were 487 producing oil wells in the city's backyard. One was a stone's throw from the country club. Others were coming in at the rate of about one a day.

Imperial Oil had built an $8 millions refinery. McColl Frontenac was building one costing $10 millions. Other developments ran into the millions.

Retail sales have doubled in five years. There are two customers for every hotel room. A $10 million addition to the CNR's MacDonald has been announced.

Banking clearings for the first seven months of 1949 skyrocketed to a record $565.6 millions, $100 millions over the same period in 1948 and better than $200 millions above 1940.

Employment at July 1 was 24,448, a hefty 3,000 over 1948.

Last year Californian Jack Russel saw a story about Edmonton's boom, picked up the phone and called City Commissioner John Hodgson. "Come on up and see for yourself," advised Hodgson.

Next day Russel climbed in his car and was on his way. Today he's operating a $100,000 concrete block making plant and part of the boom. Other inquiries have come from as far away as Venezuela.

When it comes to building, Edmonton is busting out at the seams. The boom may have passed its peak elsewhere but here it hasn't even reached it.

The 1949 housing, commercial and industrial program will exceed $70 millions, a 40-fold increase over 1939. At the beginning of Oct. $32 millions had been spent on housing alone, $5 millions more than the record $27 millions for all last year.

But the city still needs 5,000 homes. About 1,000 families are living in temporary war-built shelters, another 5,000 in army barracks.

Why, with all this evidence of a booming economy and the promise of a brighter future, should Edmonton remain unexcited? What's the city like, its people, their ideas? What has it got that other cities haven't?

What's the city like? Despite its size (with 42 square miles, its bigger than Chicago), it still has a small-town appearance. It has no skyscrapers; the biggest office building is seven stories high. Buildings tend to spread out rather than up. Main streets like Jasper, 101st, Kingsway and Portage are 100 feet wide.

Cutting right through the middle of the city is the fast-running North Saskatchewan River. Along its banks are three of the four golf courses that are all within the city limits. Here too, farmers still mow hay. A farmer who grows wheat inside the city limits won the International Wheat Championship in 1941.

The city's most modern home is owned by Juke-Box king, Jim Louis, a Chinese. It also boasts the only Mohammedan mosque on the American continent. It was built by Assyrians who grew wealthy in the fur boom.

It hasn't had much time for culture. It lacks a civic auditorium, although they're getting around to considering one. Two McGill university experts recently laid before the city their Planning program, which calls for a civic centre.

In 1946, the citizens voted the idea down. Concerts featuring the best American and Canadian artists are still held in a church. Meetings are held in a building built to judge cattle.

The city has 450 miles of streets but only 75 are paved. One was paved long before there were any houses on it. It was originally Portage Ave., a 100-foot artery built for the 1911 land boom. When that bubble burst, the Hudson's Bay Co. was left with the street on its hands. It was from Portage that Post and Gatty took off on their round-the-world flight and gave Edmonton the title: "Crossroads of the World."

In 1939, Portage became Kingsway and Kingsway became Portage. This switch was a tribute to Queen Elizabeth. In her last broadcast after the royal tour, Her Majesty mentioned her visit to Banff and the spectacle of 200,000 people along Portage Ave., as one of the two highlights of the tour. Promptly, Edmonton renamed Portage, Kingsway.

All utilities, except gas, are city owned. Last year the city spent $22 millions on capital construction and operations. They bought new trolley busses, built a second bridge over the river; installed 5,780 telephone lines. But they still managed to hold the tax rate stable.

The explanation of these municipal phenomena goes back to the land boom. In 1911, lots sold on Jasper for as high as $2,500 a foot frontage. The bubble broke a year later and eventually the city found itself stuck with 75,000 lots in lieu of taxes. Today revenue from these lots helps keep the mill rate down. Already, the city has sold over 50,000 parcels.

Gradually, the big open spaces are being **built up. Edmonton is finally filling up.** But the memory of the land bubble and the other booms that came and went has left the people of Edmonton cautious.

There was the 1795 fur boom; the rush of the Klondikers in 1898; the land boom in 1911. Edmonton really got wet when that burst. It got slightly burned too in the two Calgary oil booms (1914 and 1928).

Bush Pilot Wop May ushered in the air boom, with a spectacular mercy-flight and the city decided to build a better airport. Prospector Gilbert LaBine put the city in the news with his silver find. He also found pitchblende but its importance didn't register until the atomic age came. Now Eldorado mines ships perhaps 700 tons of uranium concentrates through Edmonton a year.

Spurred on by LaBine's find, prospectors swarmed through Edmonton to the North. The invasion paid off in the discovery of Yellowknife. By 1939, it had brought enough people to Edmonton to send the population ahead of Calgary. When the second Yellowknife find was made in 1945, the war boom was on. At the peak, some 42,000 Americans poured into the city.

In the light of all this, Edmonton is refusing to let the obvious and clearly established success of its seventh boom go to its head. This doesn't mean Edmontonians are belittling or talking down their good fortune. They know a good thing when they see it. But they just aren't getting excited.

Another factor conditioning Edmonton's attitude is the people themselves. The city and surrounding district is a melting pot for a dozen nationalities. German settlements lie to the West; French to the north; Central Europeans the East. In the city itself there are three separate Ukranian sects. Altogether, there are 50 religious groups.

Out of this merges a stolidness reflecting the influence of the European strain on community life and thought. Add to this the wariness of the Edmontonian who's seen booms come and go, and you have at least a partial answer for the city's unexcited, long-headed reaction to the oil boom.

The attitude of the Chamber of Commerce is typical. Back of a whopping increase in **membership to today's 1,200, is the oil boom.** But only now is the Chamber getting around to striking an "Oil Committee."

Meanwhile the boom continues to gather momentum. Geographically and geologically, Edmonton is one of the world's most fortunate cities.

He'll Boost Alberta

RICHARD MARTLAND

recently appointed Director of Industrial Development and Economic Research for Alberta, his job will be to help maintain the growth rate of Alberta industry, a rate sparked by oil discoveries of past two years. Montreal-born, lawyer-trained Richard Martland has seen varied experience with A. & P. Tea Co., Ontario's rubber industry, in construction of Alaska Highway and at Goose Bay, Labrador, and more recently with War Assets Corp. in Ontario, Alberta and Vancouver.

Seek Extension of Time To Pay Succession Duties

Property Owners Point to Problems in Estates With Large Amount of Real Property—Rent Control, Municipal Taxation Discussed

Last week's joint convention in Toronto of the Canadian Federation of Property Owners' Associations (3rd) and the Ontario Property Owners' Association (13th) urged Ottawa to repeal rent control at once.

The Canadian Federation, by resolution:

1. "Protests against continued imposition and enforcement of any rental regulations and urges immediate repeal of legislation on which they are founded." It said the Dominion Government, in keeping such regulations in force, "is violating the constitution," that continued "regulation of rents at uneconomic levels is causing tenants to occupy more space than they need, creating an apparent shortage of housing which does not in fact exist, an apparent shortage which would disappear if rents were allowed to find their own level in a free market";

2. Hailed the Dominion Government's recently announced decision to subsidize local municipalities in lieu of taxes on Dominion and Crown corporation property and asked that such subsidy be fixed at "an amount 'equivalent to the current taxes on such properties in each municipality";

More Time to Pay

3. Demanded a longer time allowance for payment of Dominion and provincial succession duties on estates in which there is a large amount of real property "to enable personal representatives to raise money to pay the duty without being forced to sell property at a sacrifice or undertake burdensome mortgages";

4. Urged building trades labor and unions to promote efficiency, increase man-hour production, and the building supply trade to "use every endeavor to reduce cost of materials" for increased housebuilding at lower prices.

The Federation said increased production and lower prices will benefit construction workmen as well as the public. "Building costs in Canada are so high that intending buyers, particularly of small houses, find it impossible to finance the initial cash payment. Excessive cost of labor is due to scarcity of skilled workmen and to inefficiency exemplified by demand for much higher pay for much less work. This, and the high cost of building material, results in a poorer quality house and in fewer houses being built because the time required for completion is unduly prolonged."

Demand Tax Relief

The Ontario association, by resolution:

1. Asked the provincial government to "consider the whole question of municipal taxation, to relieve real property of the burden of maintaining services that have no relation to the ownership or use of land"—exhorted municipal councils to resist pressure for new services or expansion of old services of that kind, saying "the ever-increasing number of municipal employees due to expansion of such services is a major reason for continual rise of municipal taxation";

2. Called on property owners for "every effort toward election of municipal representatives who will keep faith with owners and reduce, instead of increasing taxes";

3. Demanded the provincial government look into cases of "extravagance of school boards and boards of education as responsible for high taxes."

The Ontario association, in a preamble to resolution No. 2 "notes with regret the growing tendency of municipal councils to break faith with their constituents." It cites as one instance "a general increase of taxes in Toronto although property owners were assured in writing by the mayor that re-assessment would not increase taxes, the excuse given a deputation of the association being unforeseen expenditures of $1.4 millions cost-of-living bonus for civic employees, $1 million given to the University of Toronto and the extravagant budget of the Board of Education."

On No. 3, it noted that "while municipal councils have to take the blame for high taxes because the council is responsible for fixing the tax rate, responsibility for high taxes often results from extravagance of school bodies over which the council has no control." The association resolved that (a) the provincial government's attention be drawn to the "obvious inequity" of the present system; (b) some means be devised "whereby the responsibility for extravagance be brought home in the mind of the public to school boards by making a separate levy for school taxes or some other formula for relieving the municipal council of unfair blame; (c) the provincial government be urged to assume the whole cost of education or, failing that, provide for appeal by a municipal council to the Municipal Board from any item in the budget of a school board considered excessive.

Doubts Provincial Control

J. W. Carrick, Toronto lawyer, presiding over a convention forum on rental control, said he was sure the provinces won't take up the control if it is abandoned by Ottawa. "They haven't the machinery," he said.

"Will the cities take it over?" one landlord asked.

"No one will take it over," Mr. Carrick said. "In the rental courts in Toronto in the last six months, judges have become much fairer to landlords. They are loosening up. Landlords today are getting a better break. The Dominion can see the handwriting on the wall. If the courts hold rent control ultra vires, then it will have to be lifted no matter what the opposition. It might then be offered to the provinces, but I don't think the provinces would want to take over."

If a formula is not discovered whereby Toronto and its 12 suburban municipalities can work in co-operation, some form of amalgamation may have to be applied in an arbitrary fashion, said Reeve F. G. Gardiner, K.C., of suburban Forest Hill Village. Mr. Gardiner, chairman of the Toronto & York County Planning Board referred to what happened in Windsor-Sandwich-Walkerville some years ago when, for purely financial reasons, the government of the day amalgamated those municipalities.

Control of the selling price of homes built under the proposed new Dominion Government financing plan "probably will restrict the new loans to a fraction of the number of privately built houses financed under the National Housing Act," said Grant Smedmor, executive secretary of the National House Builders' Association.

"The government," Mr. Smedmor said, "makes no provision to regulate cost of the many components of the house, such as plumbing and heating, lumber and brick, as well as labor, over which the builder has no control. This attempt to control the end-price therefore is obviously not feasible." He added that "there are indications that the controlled price in some cases will be higher than that which the builder is now asking in a competitive market.

"Moreover, there is no control over the house once it has passed from the builder's hands. The purchaser can turn around and sell it for what he pleases."

Harold B. Itter, vice-president of the Associated Property Owners, of Vancouver, proposed consideration of a plan by which a "Housing Discount Bank," financed by the government, to discount and buy builders' second mortgages, should be established He proposed "100% finance" for the home builders of Canada, "unhampered by government red tape."

PORCUPINE WATBORN GOLD MINES shareholders approved sale of properties to Porcupine Reef Gold Mines for 145,000 shares of latter company. Distribution of these shares on basis of one share of Porcupine Reef for each seven shares of Porcupine Watborn held is proposed. Fractional shares will be paid for in cash on the basis of 7c a share for each Porcupine Watborn share.

Montreal Stelco Attracts 16,500 With Open House

MONTREAL (Staff)—Following success of similar open house days at company's plants in Hamilton, Steel Co. of Canada opened its plants in Montreal to 16,500 visitors in three separate days recently.

About 3,000 visited the Dominion works, 3,500 the St. Henry works and 10,000 the last open house held at the Notre Dame works.

Visitors not only saw various operations in progress but special displays gave them an idea of the variety of end products in which the plants' output is used. Booklets explaining work, history of company and scope of operations were issued.

Cut $80 Millions Trade Gap Aim of Frenchman in Canada

How can France sell more to Canada? Is there any future for France here in her former role as a traditional supplier of luxury goods?

In Canada on a research mission to find out is Michel de Boissieu, director of economic affairs for North and South America in the French Department of Trade and Commerce. His problem: to close a trading gap between France and Canada currently running at around $80 millions a year.

Part of the solution, M. de Boissieu believes, may be found in increasing production of raw materials France is now able to offer to Canada. He cites: steel, coal, phosphates, potash, mineral products such as manganese and ochres, chemical dyestuffs, window glass, wood and copra.

These materials are now available in increasing supply from France from two sources: incorporation of the rich Saar Basin into the French economy; a big program of development in French North Africa.

Few of the products mentioned were available from France prewar, certainly not in quantity.

As a luxury goods supplier, M. de Boissieu believes there's little chance of France regaining her prewar position in the Canadian market and cites as the principal reason Canada's own development as a producer in these lines.

For example, 1929 purchases of French silk in Canada totaled $2.5 millions; current purchases are running at only $400,000 a year. The trade in cosmetics is similarly reduced; wines are down from $6.8 millions a year in 1929 to an annual rate of $1.6 millions today.

The emphasis therefore in the coming French trade drive here will be on basic products for industry.

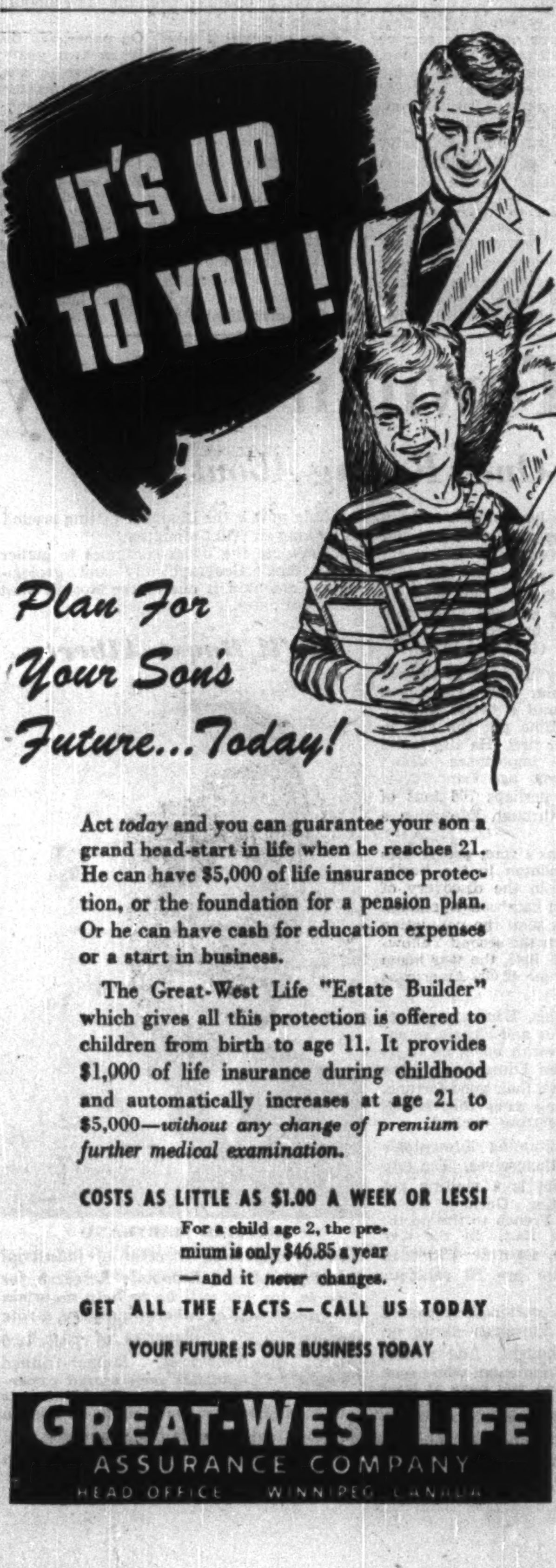
Sure, you can have our wines and perfumes if you want them, says M. de Boissieu — but don't forget about our steel, coal, etc. Prices? Competitive, he maintains.

C.I.L. To Produce New Plastic Item

MONTREAL (Staff) — Canadian Industries Ltd. is adding a new product to the output of its plant at Shawinigan Falls, Que. Company has been making Cellophane transparent film there and is about to start production on cellulose sponges, now plans to turn out polythene sheeting and "lay-flat" tubing, probably about mid-winter.

This new plastic, imported from the United States till now, is used in packaging, particularly of frozen foods, radar equipment, high frequency cables, containers for chemicals, bottle caps and a variety of other uses. The machinery for extrusion of the polythene film is being installed in a portion of the plant not now in use.

PICCADILLY PORCUPINE GOLD MINES reports that option to Stuyvesant-North Ltd., on 354,844 shares at 10c to 15c a share has been terminated by mutual consent. By a new agreement, Styvesant-North Ltd. has underwritten 354,844 shares at 7½c a share, payable forthwith, and upon issue of these shares, issued capital will be four million shares with no further shares in treasury.



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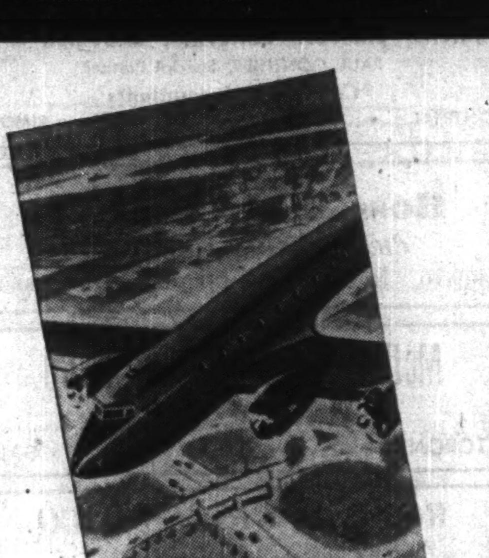

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Industrial Growth

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Of $83 millions of industrial construction contract awards in Canada for nine months to Sept. 30 — as tabulated by MacLean Building Reports Ltd. — $9 millions, or about 11% is credited to Toronto area. The figures include basic processing equipment, as well as new buildings, extensions and alterations.

While the $9 millions, nine-months Toronto area total is down heavily (36%) from the 1948 period and earlier postwar years, its' viewed as signaling a continued high level of orders for factory building and equipment for some months ahead in one of the most important sectors of the Canadian manufacturing economy.

Here are recent industrial development projects in the Toronto area, as reviewed in the latest monthly bulletin of the Toronto Industrial Commission:

Taymouth

Taymouth Industries Ltd., Toronto, Canadian subsidiary of Astral Equipment, Glasgow, Scotland, has foundation in for major expansion of a small pilot plant built in 1948 in suburban Etobicoke. Located on that township's fast-growing Queen Elizabeth highway "ribbon" industrial development, the 16,000-sq. ft. plant will be one story, steel, brick and stone; is scheduled for January completion.

Under a Swiss patent, Taymouth makes a small electric lightweight (60 lb.) aluminum refrigerator which operates on the absorption principle, with no motor or moving parts, and for which wide acceptance is seen in apartments, summer cottages, offices, etc. New models are proposed. These refrigerators, in forms to suit particular climates, are being sold world wide. The parent Scottish firm is forming a U. S. subsidiary which will be closely associated with Taymouth here.

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Amer. Hat Block

American Hat Block of Canada, maker of ladies' wood and aluminum hat blocks for the millinery manufacturing trade (new Canadian affiliate of American Hat Block, New York City), has rented Toronto in-city factory space; is preparing for immediate production. Designs will conform with a wide range of master blocks styled in New York. G. Nyman, formerly of the New York plant, is Toronto manager. Most such hat blocks until now have been imported, so the new development will help Canada conserve U. S. dollars.

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Atlas Tag

Atlas Tag of Canada, recently incorporated with A. John Cameron as president and manager, has bought a 10,000-sq.-ft. building in the Ajax industrial development "new town" east of Toronto, an operation of Ottawa's Central Mortgage & Housing Corp. High-speed automatic machines will turn out tags, tickets and labels for retail, wholesale and industrial use.

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Brigdens

Brigdens Ltd., long established in downtown Toronto, has just completed construction of a modern "daylight" plant to house its separate lithographing division, two stories, 22,000 sq. ft., reinforced concrete and brick. New equipment will include a high-speed two-color offset press. The move has enabled Brigdens to enlarge its letterpress printing division, composing room and bindery. In all, production capacity is increased over 50%.

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Minn.-Honeywell

Minneapolis-Honeywell Regulator, Leaside, near Toronto, will build a 15,000-sq.-ft. steel and brick second story on a new 18,000 sq. ft. section completed last spring; architect J. E. Hoare, Jr. With the proposed second addition, to be completed in March, floor area will be 65,000 sq. ft. About 60 workers will be added to the present payroll of 325, according to General Manager W. H. Evans.

Some of the increased manufacturing capacity will enable the plant to more completely process component parts used in controls already being made there, thus increasing their Canadian content, it is stated. A new plastic molding department is to be added to operations. New equipment installations will include special units to make mercury switches. Minneapolis makes regulators, controls and instruments used for domestic oil, gas and coal burners, and air conditioning, refrigeration and industrial process equipment.

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Dominion Spring

Dom. Spring & Felt Mfg. Co., Toronto, has walls up for a 12,000 sq. ft., one-story addition to its in-city plant. Scheduled for year-end completion, the new wing will feature a new type of artificial stone on a building of steel, concrete block and brick. It provides for substantial increase in output of upholstering and mattress springs and felt for the furniture and upholstery trades.

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Ruud

Ruud Manufacturing, Canadian (Toronto) subsidiary of Ruud, Pittsburgh, will move at year end to much bigger in-city quarters. The building, recently bought, is of steel, concrete and brick, one story, 28,000 sq. ft. Cost is put at over $180,000 for the plant and equipment. It doubles Ruud's existing space. A "substantial" hike in payroll is scheduled. Several new lines of gas and electric water heaters are to be added. Other plants are at Santa Cruz, Cal., and Kalamazoo, Mich.

• • •

Glass Art China

Glass Art Cut China Co., Toronto, recently began building a new plant and office in suburban Etobicoke, one story, steel and concrete block, 11,000 sq. ft. GACC for many years has made ceramic glass decorating materials, such as stove and radio dials and glass trade brands for gasoline dispensing pumps. The firm will move from a smaller in-city plant.

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O'Connor Tanks

O'Connor Fuel Tanks Ltd., newly formed, has bought a plant site in suburban East York township's new and fast-growing O'Connor Drive industrial area. It plans immediate building, one story, steel and brick, for completion in March; will make stainless steel tanks and hoppers, all-welded steel fuel-oil tanks featuring a new type of reinforced pressed head.

• • •

Purity Bakery

Purity Bakery, Montreal, has foundation in for $75,000 plant extension on St. Hubert St., 3 stories and basement, steel, concrete block and brick, about 17,500 sq. ft.; architects Duplessis & Labelle; contractor Main Construction Co.

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Weatherhead

Weatherhead Co. of Canada, St. Thomas, Ont., automatic screw machine products, has foundation going in for 14,000 sq. ft., steel and brick extension to plant; contractor for concrete, masonry and carpentry, David Winter; steel Sarnia Bridge. Norman E. Kilmer is vice-president and general manager of Weatherhead Canada.

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Sir George Godfrey

Sir George Godfrey & Partners (Canada), Montreal, parent office Hanworth, Middlesex, Eng., has walls up in suburban Lachine for $30,000 initial plant unit, steel and concrete block, 5,000 sq. ft., 1 story; contractor Ross & Anglin Ltd. Organized late 1947, the Godfrey (Canada) operation so far has been mainly in selling and engineering-liaison work. Parent firm makes cabin pressurizing and related equipment for aircraft, superchargers for internal combustion engines, rotary and vacuum pumps for general industrial use.

• • •

Canada Packers

Canada Packers, Toronto, fertilizer and feed division, is building $100,000 addition to Toronto fertilizer building; contractor R. G. Kirby & Sons Ltd. At the Montreal plant, Canada Packers is building a $25,000 addition; contractor Cecil Carpenter & Co.

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Peeters

Peeters Textile Mills Ltd., associated with Peeters-VanRoye, Louvain, Belgium, has walls going up for new plant at Granby, Que., about $100,000, steel, block and brick, 1 story, about 26,000 sq. ft., as initial unit for contemplated 200,000 sq. ft. plant. Contractor is Carolus Marquis.

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St. Lawrence Asbestos

St. Lawrence Asbestos Co., St. Odilon, Dorchester county, Que., is considering possible early construction of a mill at asbestos mine. Financing is under way.

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Office Specialty

Office Specialty Manufacturing, Newmarket, near Toronto, has foundations in for a second plant. It's at Holland Landing, also near Toronto and northwest of Newmarket, 1 story, 20,000 sq. ft., steel and brick; architects Allward & Gouinlock; contractor F. S. Milligan & Co. The new plant at Holland Landing will employ 40 initially. At the Newmarket plant, a 17,000 steel and brick 3-story office building is being completed by Aurora Building Co., contractor, to plans by the same architects. G. L. Manning is vice-president and general manager. Production machinery in the Holland Landing plant will cost about $200,000. It will make sheet steel equipment—locker shelving, office and factory partitions, storage fittings.

• • •

Bell Asbestos

Bell Asbestos Mines Ltd., Thetford Mines, Que., has construction well advanced on a $200,000 plant extension, 2 stories, 13,500 sq. ft., reinforced concrete and brick; architect J. Berchmans Gagnon; contractor Poudrier & Boulet Ltee., Quebec City. New unit accommodates dryhouse, locker room, showers, cafeteria, engineers' office.

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Distill.-Seagrams

Joseph E. Seagram & Sons Ltd., Waterloo, Ont., subsidiary of Distillers Corp. Seagrams Ltd., Montreal, has walls up for $1 million rack warehouse extension to Waterloo plant; engineer Brian R. Perry; contractor A. F. Byers Construction. The warehouse unit's height will be equivalent to 5-stories, with dimensions 178 by 119 ft., steel and brick.

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Dom. Textile

Dominion Textile Co., Montreal, at its Ste. Anne's mill (one of four in Montreal area), has work well advanced on $1.5 millions additions, alterations and equipment installation; contractor Pentagon Construction. Latest phases of the improvement works were started March. Extensions will double present output at this mill, with added capacity 40,000 pounds medium count combined yarns a week; will go into production early in the new year.

• • •

Gault Bros.

Gaults Alberta Ltd., Edmonton, wholesaling subsidiary of Gault Bros. Ltd., Vancouver, manufacturer and wholesaler of work clothing and drygoods, has walls going up for $600,000 windowless warehouse and office in Edmonton; architects Stanley & Stanley; contractor C. H. Whitman Ltd. The 2 stories and basement steel and brick building will have about 56,000 sq. ft. of floor, electric-eye doors, fluorescent lighting, air conditioning, overhead monorail gravity chutes and conveyers, pneumatic tubes.

• • •

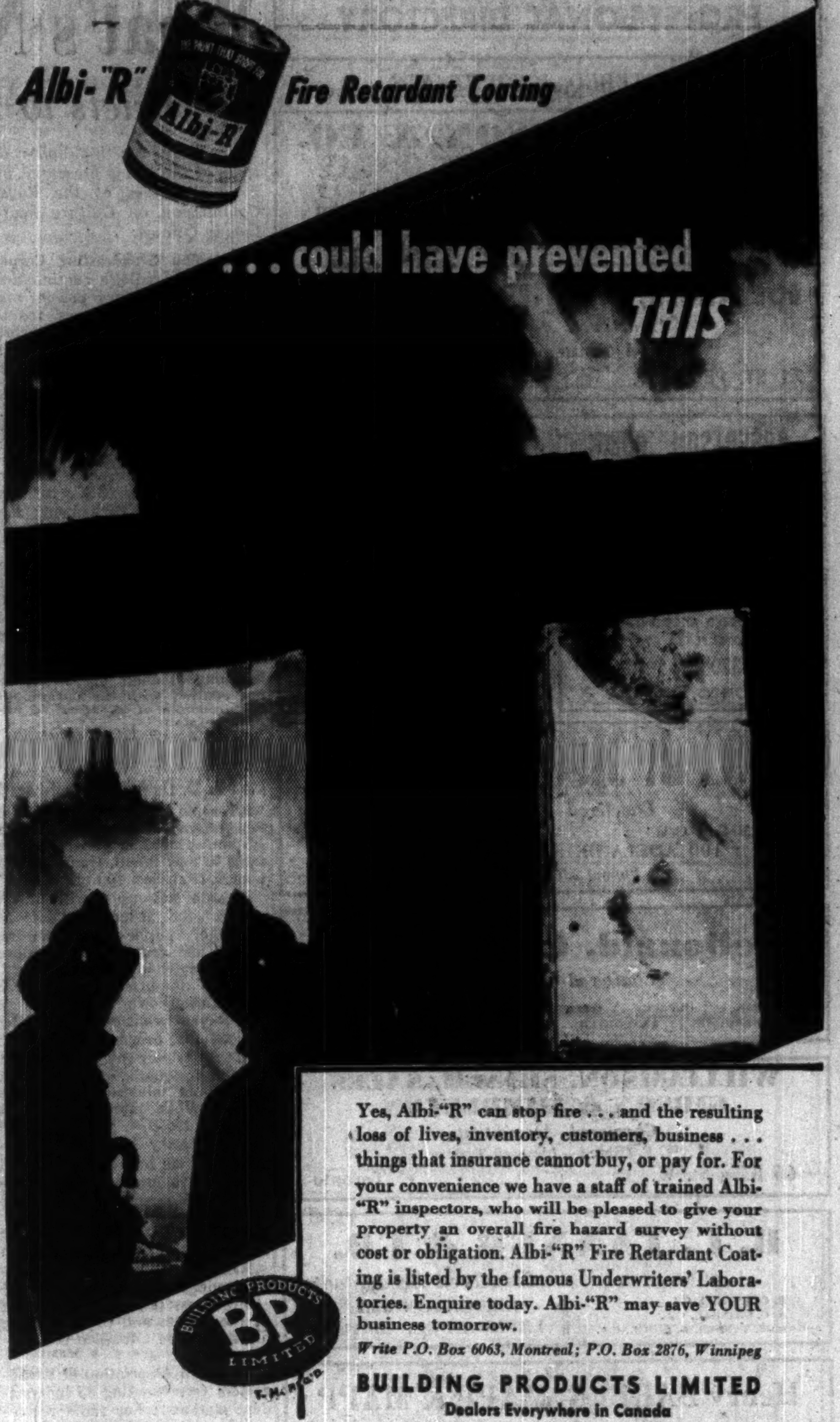
Candn. Celanese

Canadian Celanese Ltd., Montreal, President Dr. Camile Dreyfus, has $250,000 plant extensions under construction at Drummondville; contractors Dominion Bridge, MacKinnon Structural Steel, Gerard Laferte. Five bays are being added to No. 21 building; a new building (No. 35) is being erected for research laboratories. Canadian Celanese makes cellulose acetate filament yarns and staple, woven and knitted fabrics, hosiery and ribbon. It has spent $12.5 millions in the past four years on expansion at Drummondville and Sorel plants.

• • •

Pert Hosiery

Pert Hosiery Ltd., Montreal, considers possible early building of new plant and office, 1 story and part basement, about 12,000 sq. ft., steel, stuccoed block and brick. Architects Eliasoph & Berkowitz recently took contractors' tenders.



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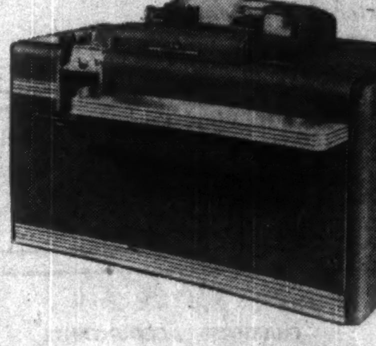

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What's Needed for Canada's Culture?

Briefs to Royal Commission Propose Many Projects

Here are the highlights of some of the briefs presented by national bodies at the Royal Commission on Culture hearings in Ottawa:

How are radio and TV to be governed and financed? What does the growing stature of the Canadian nation require in the way of national galleries, libraries, archives and museums? Would bigger grants for scholarships be a practical means of fostering Canadian development in the arts and sciences?

Seeking the answers to these questions, is the Royal Commission on National Development in the Arts, Letters and Sciences, known unofficially as the "Massey Commission" after the chairman, The Rt. Hon. Vincent Massey.

Hearings in Ottawa and across the four western provinces have already tucked hundreds of mimeographed pages in the Commission's briefcase. This month, further sessions are to be held in Toronto and Montreal;

Canadian Broadcasting Corporation—For radio, a continuation of CBC's regulatory powers and an increase in receivers' fee to $5; for television, a largely similar pattern, giving priority to a publicly-operated national system.

The limited number of air channels, and the interconnection of all Canadian broadcasting activities, make essential in the public interest the present legislation under which the CBC, directly responsible to Parliament, has over-riding rights and co-ordinating control.

Would permit private stations to operate on public air channels "as ancillaries of the national system," to provide community service, and, in many cases, to act as outlets for the national service, "as long as their operations do not conflict with the paramount requirements of an effective national system."

"Canadians," said CBC Chairman A. D. Dunton, "are provided with some of the richest radio fare offered by any broadcasting system, programs ranging from talks to new talent, from Bach to boogie, from hockey to Horowitz."

Private stations provide much service for listeners, "but as users of public air channels, should and could do much more in the public interest."

On TV, the brief set forth these "essential needs":

1. Development of television by the national broadcasting system.
2. A television receiver set license, adequate, over a period, to support television operations in the public interest. ($10 has been mooted.)
3. Necessary loans to the national system for capital cost and initial development. (These are already being sought for Toronto and Montreal stations.)
4. If private interests are to be licensed to establish a television station . . . , needed powers of co-ordinating use of television air channels in the general interest of the public and of developing a nation-wide Canadian service.

* * *

Canadian Association of Broadcasters (representing 93 independent stations): For radio recommended (1) revision of the Canadian Broadcasting Act, 1946; (2) recognition that a system of private radio exists in Canada; (3) that private stations be given equal rights with the CBC if the CBC is to continue in the commercial field; (4) establishment of an independent regulatory authority to administer rules and regulations equally for CBC and private stations, and (5) the right of appeal against decisions of such an authority in so far as these relate to legal interpretations.

At present, the brief stated, CBC powers include control of networks, control over character of any and all programs, and control over the extent and character of advertising.

"Because it has authority to make regulations, enforce them, determine whether there has been any infractions, assess and enforce the punishment, the CBC is made competitor, regulator, prosecutor, jury, and judge of private stations."

The brief argued that commercial sponsorship of a program in no way detracts from its value.

In TV, the CAB sought a green light for private enterprise to proceed immediately to develop the medium here. Specifically, it asked: (1) The field be opened for private business immediately; (2) regulations of television be handled by the independent authority proposed for radio; (3) licenses for private television stations be granted for terms of years in relation to the tremendous financial and other risks involved; (4) free and full access be permitted to program material by line, kinescope, and film, from every possible source; and (5) the CBC should not enter the commercial television field.

* * *

National Film Board—Declared itself prepared, not only to supply a Canadian television system with its large stock of films suitable for televising, but also to participate directly in TV programming by bringing "delayed" television to rural areas not serviced by regular TV channels.

To expand its scope and activity, the NFB asked: (1) an increase in budget; (2) establishment of studio facilities in one central building which would house all the scattered divisions of production; (3) consideration of the establishment of the National Film Board as a corporate body (similar to the CBC) in order to enter into contracts with commercial film outlets; (4) increase of staff to meet expanding requirements.

The brief drew attention to a $1,174,597 decrease (or 29%) in its budget since 1945. In the same period, staff had been cut from a peak of 787 to 540, or a decrease of over 30%. On the other hand, community audiences have tripled since the end of the war, from 44 in 1945 to 235; and 250 film councils have come into existence.

Since 1943, the board has been supplying film for televising in the United States and the United Kingdom. Last year, 72 NFB subjects were televised in the U. S. 367 times, while 12 NFB subjects were televised in the U. K. up to April, 1949.

According to a U. S. estimate, 25% of television programs there consist of films, whereas "In Canada, motion pictures will probably play a still greater part in television, partly because of the difficulty in securing live programs, and partly because of the lack of relay facilities." The development of films for TV will make it doubly important that adequate studio facilities be provided at the earliest possible moment.

* * *

National Gallery of Canada — For the short term, it wants a temporary pavilion erected adjacent to its present site (which is the east wing of the Victoria Memorial Museum building; the National Gallery has never had a building of its own). The pavilion would give greater space to the Gallery's "Design in Industry" section, and permit hanging of some of its pictures of the First and Second Great War.

Long-term, the Gallery sees no point in retaining its present site which has disadvantages in fire protection, lighting, and moisture control (a factor in preserving works of art). Instead, it wants its own permanent building, more centrally located in Ottawa, to include:

1. Three groups of galleries, one for the Old Master and sculpture collections, another for the Canadian and modern collections, a third for the Canadian War Memorial collection.
2. A prints and drawings department, with small exhibition galleries of its own.
3. Galleries for temporary and loan exhibitions.
4. Adequately lighted reference or study section, where pictures withdrawn from exhibition are easily accessible.
5. Air conditioning plant.
6. Ample storage, packing and working accommodation.
7. A laboratory for the inspection and repair of works of art (this work serves all public galleries in Canada).
8. Adequate office accommodation.
9. A library and a room for lectures.
10. A photographic studio.

The Gallery also urges that its staff be doubled at least. It has only four persons on its professional staff now, compared with 46 at Philadelphia Museum of Art and 45 at Cleveland Museum of Art.

"The National Gallery has cost the country less than one cent per head of population per annum for the past 10 years," the brief states. "Three or four times this amount would bring the Gallery more in line with similar institutions on this continent, the United Kingdom spends not less than 16 cents per head on museums."

For the future, the Gallery sees three fields in which it would be enabled to give better service:

(a) Expand its present system of loan exhibitions from abroad, especially to include countries and periods heretofore unrepresented, and make these more widely available to Canadian galleries at lower cost.

(b) To a greater degree it can carry Canadian art to other countries, especially to those which have not yet seen Canadian art exhibitions. Demand from abroad is increasing.

(c) From time to time it can to an increasing extent make special loans to other galleries in Canada of outstanding works from its permanent collection.

* * *

Public Archives of Canada — Reviewed need for establishing a Canadian Public Record Office, to which departmental documents of permanent historical interest would be transferred. Though departments would be able to place restrictions on the use of the documents if they deem necessary, the transfer would be automatic, and, except in very unusual cases, compulsory.

Proposed publication of "guides" to archival material, the use of microfilm to make material available to scholars in any part of Canada, film strips, and a new series of monograph publications which has now reached planning stage. In addition, publication of pamphlets, leaflets, etc. of a more popular nature than any the Archives have yet printed is considered.

* * *

Canadian Library Association—Outlined steps taken so far toward establishment, on a centrally located Ottawa site, of a proposed National Library, designed along "functional" lines. Predicts libraries in other world centres would permit photographic reproduction of Canadiana which have come into their hands.

Believes Copyright Act should be amended so that the National Library shall become the legal depository (with penalty clause for nonobservance) for at least one copy of all material copyrighted in Canada.

Although books, periodicals, and newspapers will be the nucleus of the collection, pamphlets, broadsides and other "ephemeral" publications should also be collected since "the dust of today is the gold of tomorrow." Microfilming would solve problem of storing such material. National Library should also collect phonographic records of Canada's dialects, folk-lore, and music. An archival and reference collection of Canadian films should also be made.

* * *

Royal Architectural Institute of Canada—Urges adoption of system whereby, say, 1% of the cost of important governmental buildings be provided for sculpture and mural painting.

Asks government to make available research and traveling scholarships in arts and architecture . . . to be administered jointly by the National Gallery of Canada and the recognized professional body concerned.

Offers co-operation to governmental agencies in recording and preserving examples of early Canadian architecture.

Urges establishment of a council to protect and develop rural landscape.

Collection of photographs of important contemporary Canadian buildings should be available through National Gallery.

* * *

Royal Society of Canada — To expand its own operations, the Society asks the Dominion Government to provide a $30,000 annual income, preferably by means of an endowment fund earning that sum, or otherwise by annual grant "with such assurances of continuity as may be possible." It also seeks a permanent residence, and the adoption of the practice common in Britain of appointing Society members, as such, to all boards, commissions, committees, and other authorities having to do with any branch or science of humane learning.

Recommends a system of national scholarships, both in the natural sciences and in the humanities. It believes that comprehensive plans for beautifying Ottawa as Canada's Capital should include construction of (a) National Library, (b) National Gallery, (c) National Botanical Garden (d) National Museum of Archaeology, Ethnology, and Natural Science.

* * *

Canadian Association for Adult Education—Wants bureau established under some existing department—for example, the Secretary of State—to (a) co-ordinate work of such agencies as CBC, National Film Board, National Museum, National Gallery, National Library, etc., and (b) vigorously promote new activities.

Claims popular understanding of adult education was that it was a sop thrown to the less fortunate; it is now regarded as "continuing education"—the right of every citizen.

Considerable urgency for basic studies in: (a) labor education—training leaders and making available to unions the cultural resources of Canada (b) thorough adult education (c) intergroup relations—tensions between racial and religious groups in Canada and how they may be eliminated.

Provincial governments are increasing their efforts in adult education field, but certain national services are needed if local programs are to be made fruitful and developed in the general interest. New international demands and responsibilities require new efforts, and federal government is asked to share in support.

The Association declared itself "not impressed" with arguments calling for a radical change in control of Canadian radio, and would recommend a similar non-commercial basis for television.

* * *

Canadian Education Association—Urged immediate establishment of a National Commission on UNESCO which would bring the international organization into contact with the people, and, at the same time, obtain support for it from a broad base.

Declared Canada's educators were concerned over the present lack of method in this country's relations with UNESCO in the education field, at the elementary and secondary school level.

* * *

Canadian Teachers' Federation—"We have persisted in efforts to get the government of Canada to establish a National Commission for UNESCO affairs because we agree that UNESCO without National Commissions is like a tree without roots. UNESCO must be given a voice—and a commission representative of the national educational, scientific, and cultural organizations can be that voice."

Pointing to its national character and its 60,000 membership, the Federation claims membership on such a commission; believes it should be consulted in the naming of delegates to UNESCO meetings, and that one of its representatives be included in the Canadian delegation.

Wants the government to finance the proposed National Commission, and to pay expenses of Canadian representatives to UNESCO international Seminars.

* * *

Canadian Citizenship Council—Recommends a system of grants-in-aid to such voluntary bodies as the Canadian Association for Adult Education, la Société Canadienne d'Enseignement post-scolaire, and itself; claims that in the case of UNESCO and other UN agencies, if the services of the various national bodies under consideration by the commission are to be used to the fullest extent, it will be necessary to have the support and co-operation of such organizations.

* * *

Central Mortgage & Housing Corp. "In our national policies, an increasing emphasis must be placed upon the amenities, the architectural design, and the effective planning of cities and towns. . . to prevent the recurrence of crowded and sordid conditions of urban life which elsewhere have been such a universal accompaniment to industrial and commercial expansion."

By setting an example in its own building operations (both housing and community buildings) and by using its avenues of public education to the fullest extent, the federal government can provide a situation favorable to good design. These specific suggestions were offered: (a) a central special library, presumably part of the proposed National Library, containing books on housing and planning (b) a cumulative photographic record, which might come within the organization of the National Gallery, to illustrate the historical development of domestic architecture and the growth of communities in Canada, and (c) a number of documentary films to dramatize existing conditions in housing in various parts of the country.

Within the governmental set-up, the brief saw need for fundamental research, removed from the pressures of immediate needs, and operational research. It also suggested that federal aid might be extended for university training of those professions responsible for housing and planning.

* * *

Community Planning Association of Canada—Citing example of conflicting government moves (such as the Vancouver case in which a federal housing project was built athwart the recommended route of the Trans-Canada Highway), the brief said the federal government needed "an organ through which the developmental interests of its various agencies can be consolidated."

The federal housing agency should single out for public attention from time to time one exemplar housing project in each region of the country. With special attention by radio, film, press, newsreel, etc., it is estimated that half the population of Canada could be attracted to visit a properly planned housing district within a year or two.

On the financial side, it wanted the Commission to recommend that it and other organizations which come within the scope of its culture enquiry be placed in the same category as charitable organizations in that donations by individuals to their support be allowed as deductions from taxable income; also asked federal aid in provision of modest, convenient halls suitable for mealtime and evening meetings by voluntary societies.

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Potato Orders Setting Record At Saint John

From Our Own Correspondent

SAINT JOHN — Uruguay, South America, has ordered 240,000 bushels of New Brunswick certified Katahdin seed potatoes. Shipments will leave Saint John early in November and the balance on the M. V. Tacoma, scheduled to arrive Nov. 20.

It is understood price being paid by the Uruguay official seed service is $2.81 (U. S. funds) per crate, about 125 lbs., delivered at the Saint John piers. Order was procured by H. G. Greenlaw Ltd. of Millville, N.B., and will be filled by potato farmers in the area.

From mid-September to Oct. 31 some 1,200,000 bushels of certified seed and table stock have been shipped from New Brunswick potato belt through Saint John port to Cuba, Central and South America and United States. This is believed to be a post-war record for movements through Saint John. It is anticipated that shipments will continue through the winter.

By treaty, Canada is permitted to ship 1,000,000 bus. of table stock and 2,500,000 bus. of seed to United States annually at a tariff of 37½c per cwt. After that the duty rises to 75c. Bulk of exports come from New Brunswick and Prince Edward Island. It is believed that the quota under the lower tariff is about filled for this season.

Gordon Mackay Buys N.B. Firm

Purchase of the wholesale drygoods business of Vassie-Brock-Manchester Ltd., Saint John, N.B., by Gordon Mackay & Co. marks an important expansion eastward for the large wholesale and retail textile organization.

William Vassie becomes president of Vassie-Brock-Manchester division. C. H. Brock retired as president of the Saint John company and has been named a director of the new organization. Other directors are: W. I. Walker, president of Gordon Mackay & Co., D. M. Woods, R. E. Chisholm, and W. Inrig.

The Saint John firm has been distributing textiles for over 100 years throughout the Maritimes and Quebec, operating through a main warehouse in Saint John and branch warehouses in Halifax, Sydney and Trois Rivieres.

The purchasing company is not expected to operate retail stores in the east, as business through the independent trade is at a satisfactory level, it is said.

Both Gordon Mackay and Vassie-Brock-Manchester distribute a wide range of related textile products, with emphasis on merchandise produced by and for the companies or on which distribution rights have been arranged.

The purchase was made through Gordon Mackay & Co., subsidiary of Gordon Mackay & Stores, Ltd. No additional public financing is contemplated in connection with the acquisition of Vassie - Brock - Manchester, Ltd., whose outstanding preferred and common shares have been purchased outright.

U. K. Movies Show How to Sell Here

Solution of Britain's export problem in the dollar markets calls for much more than dealing with top-level economics involved, J. B. L. Lawrence, executive vice-president, J. Arthur Rank Organization Inc., New York, and a leading U. S. public relations authority, told a meeting of the Public Relations Association of Ontario in Toronto recently.

Ultimate solution, he said, may depend on practical assistance from within U. S. and Canada in the psychology of selling these markets and in the marketing-advertising methods which can accomplish the job.

Dealing directly with the problems which would arise in establishing specific lines of merchandise in dollar markets, Mr. Lawrence cited post-war experiences in British films. In this industry, a new product has been sold in a most highly competitive field from a cold start. The basic approach was a public relations one.

Mr. Lawrence emphasized that when it became a matter of dealing with the consumer, films were not sold with any national label but entirely on their value as entertainment. He felt that experience gained in this field could now be applied with profit in others.

Craig Bit Co. Earnings Up In First Quarter

Operating results of Craig Bit Co., North Bay, Ont., during the period from July 3, 1949, to Sept. 24, 1949, have been "excellent," President E. Craig states. Net profit of $38,387 was twice the earnings of the first period last year.

Plant modernization is continuing and should be completed before the first snowfall, it is said. Interim balance sheet showed total current assets of $477,223 ($223,343 in accounts receivable, $240,519 in inventory, and $13,362 in prepaid charges) and $190,940 in current liabilities ($119,926 in accounts payable, $54,748 in provision for taxes and $16,266 in bank overdraft).

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Bond Interest Coupons

How are Dominion of Canada bond coupons taxed, if they are not cashed as they come due? Are they taxed the year in which they come due or are they taxed in the year in which cashed?

They are taxed in the year in which they are actually cashed.

Couple Over 65

Where a husband and wife were both over 65 prior to Jan. 1, 1949, both are entitled to an extra exemption of $500 for income tax, I understand. Where a wife has an income over $250 but under $1,000, how is the husband's exemption affected? Normally I understand, the husband's exemption is cut by the excess of the wife's income over $250 and under $1,000. But in case of a wife over 65, is the husband's exemption cut by the excess over $750 ($250 plus $500) and under $1,000, or the excess over $250 and under $1,000 as previously?

The husband's exemption is cut by the excess of the wife's income over $250 and under $1,000. The extra $500, to which the wife would be entitled on account of her age if she were taxable on her own account, does not enter into the calculation. The effect of this ruling is that unless husband and wife both have taxable incomes, only one gets the benefit of the extra $500 exemption allowed for persons over 65.

INVESTMENTS

Chief Redwater

Please give some recent information regarding Chief Redwater Oils Ltd.

Chief Redwater Oils Ltd. holds 640 acres in the Redwater-Bruderheim area of Alberta and a reservation on 6,400 acres in Saskatchewan, approximately 35 miles southeast of Lloydminster. Two wells were drilled on the company's Alberta acreage, but both were abandoned and operations shifted to the Saskatchewan acreage to test the possibilities on that property. One well has been successfully completed there in the Maidstone area and the company plans additional wells.

There are, at present, options outstanding on 1,455,995 shares at prices ranging from 12½c. to 20c. per share.

Dow-Jones Industrials

Will you please give me a list of the stocks that make up the Dow-Jones industrial average?

Here are the 30 stocks which make up the Dow-Jones industrial average.

Allied Chemical	Int. Nickel
Amer. Can	Johns Manville
Amer. Smelters	Loew's Inc.
Amer. Tel. & Tel.	Nat. Distillers
Amer. Tobacco	Nat. Steel
Bethlehem Steel	Procter & Gamble
Chrysler Corp.	Sears Roebuck
Corn Products	St. Oil of N. J.
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Eastman Kodak	Texas Co.
Gen. Electric	Union Carbide
Gen. Foods	United Aircraft
Gen. Motors	U. S. Steel
Goodyear	Westinghouse
Int. Harvester	Woolworths

Quesabe Mines

I have been rather concerned by the decline in the price of shares of Quesabe Mines below the $1 a share mark. Would you comment on the reasons why this decline may have occurred?

There has been some slackening of speculative interest in Quesabe Mines and no doubt that is the chief reason for the decline in the company's shares. What appears to be a fine body of gold ore has been opened in development from the company's shaft and shipments of ore from this vein are now being made to the Noranda Smelter. Officials hope that these shipments will provide funds for more extensive development. However, hopes had also been held out that a copper-ore body might be found but diamond drilling has so far not been productive of any such occurrence. This, no doubt, has caused some "tired holders" among shareholders.

Most of the stock in this company was sold in United States and investors there did not take steps to realize market profits very rapidly. This may have permitted the price of the stock to rise to a level somewhat ahead of its true intrinsic value.

MINK GOLD MINES spent $3,763 on exploration in 1948 with $13,762 of investments and $1,741 of cash remaining.

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Net Earnings of Chartered Banks Estimated About Equal to 1948

Five of the Canadian chartered banks closed their financial years Oct. 31, and their annual financial statements, which will be appearing in the next few weeks, are expected to show net profits at least as good as a year ago, in some cases possibly a little better.

The banks whose years close on Oct. 31, are the Imperial, Dominion, Montreal, Nova Scotia and Commerce. The Imperial Bank's statement is usually the first to appear. Last year it was issued Nov. 19, the others following closely.

Barclays Bank (Canada) closes its year, Sept. 30, but it does not issue an earnings statement, and information regarding its experience is usually obtained from the regular return of the banks to the Finance Minister and from the remarks of the bank's officers at the annual meeting.

The Imperial Bank's report is usually regarded as giving an indication of what may be expected from the banks generally.

Total Assets Up

Some indication of the general experience of the banks during the year may be obtained from the regular monthly bank statements. These as at Aug. 31, show an increase in total assets of all the banks, in both loans and investments, which would indicate higher revenues. But total deposits are also higher, especially public savings deposits, indicating higher expenses due to increased interest payments on savings deposits. Here's how the figures compare:

Assets and Deposits
Sept. 30 (In Millions of $)

	1949	1948
Total assets	8,978.6	8,322.7
Loans in Canada	2,406.9	2,098.7
Investments	4,463.3	4,185.3
Loans ex. Canada	311.0	313.9
Total pub. depts. Canada	6,915.5	6,408.6
Demand deposits	2,504.1	2,360.1
Savings deposits	4,411.4	4,048.5
Foreign deposits	769.5	823.3

Bank executives contacted by The Financial Post, while emphasizing that until final figures were received from all branches estimates were only guesses, forecast that gross earnings from loans and investments and bank services would probably be higher. But expenses, especially staff salaries, would be considerably higher. In addition, general maintenance charges have been up substantially, while a number of the new branches opened during the year are still operating at a loss, the deficit being charged to profit and loss.

Net Figures Little Changed

These higher expenses would tend to offset the increase in gross revenues, so that it was believed the net figures would not show much change. In fact it was indicated by some that the margin would be so close that any extra write offs for bad and doubtful debts or any increase in the depreciation allowance might result in a decrease in earnings. However the fact that some of the banks have already declared extra dividends is interpreted as indicating fairly satisfactory results.

Bank revenues come from three main sources, interest on loans and discounts, interest on investments and charges for bank services. The government breakdown of the sources of bank earnings in 1948 indicates a swing back in that year toward normal conditions, loan interest being the biggest item with securities next and bank services a smaller percentage. Here are the percentages for 1948 and 1947.

Sources of Revenue	Percentage of Total Earnings 1948	1947
Loan interest	44	39
Securities	37	41
Services exch., etc.	19	20

During the war, interest on investments replaced interest from loans as the biggest item in bank earnings.

Bankers say business continued active during the year with a good demand for loans. Despite reduced inventories and a more cautious attitude on the part of many merchants and manufacturers, total loans were higher than in 1948 during the whole year. There was also some borrowing under the Veterans Business and Professional Loans Act and under the Farm Improvement Loans Act. Grain loans in 1949 were about the same as in the previous year. Call loans as usual varied with the activity in the stock market.

Bank Services

Earnings from bank services probably kept pace with the previous year or are possibly a little higher. Last January the banks effected an increase in the charges for bank services such as six cents for cashing a cheque, $5 for a small safety deposit box which formerly cost $3 a year rental, with other minimum charges for operating an account. It is possible that these service charges have contributed a larger proportion to the total bank revenues than formerly.

Bank costs such as salaries, stationery, etc. are all higher than a year ago. During the year there has been a great deal of enlargement of bank premises, renovation, etc. This however has been charged mainly to capital account as also the new bank buildings. This will also result in a larger premises account, than last year.

Saturday Morning Problem

One bank executive said Saturday mornings were now causing quite a problem to the bank branches. Since so many business places went on a five day week, many people now do their personal banking on Saturday mornings resulting in an added strain on bank staffs and making many of the branch offices insufficient to accommodate the Saturday morning crowds.

Despite all the increased expenses and costs however, it is believed the general experience of the banks has been fairly satisfactory.

Life Insurance Benefits Paid Exceed $137 Millions in 1949

Life insurance companies operating in Canada in August distributed over $15.6 millions in benefits to living policyholders and beneficiaries of deceased policyholders.

Including August payments, total amount paid out in 1949 to the end of August, exceeded $137 millions. The figures are supplied by the Canadian Life Insurance Officers Association.

Death and accidental death claims accounted for approximately 42.3% of the payments in August being more than $6.6 millions. Over 4,600 endowments matured during the month, involving payments of more than $2.5 millions. Disability benefits were $328,000, annuity payments $669,000, surrender values $2,645,000, and dividends to policyholders, $2,886,000.

Staff Changes

Chartered banks announce the following staff changes:

Montreal:

A. E. WALTERS, manager, West Point Grey, Vancouver, to be inspector, with headquarters at Vancouver.

B. C. DOWNEY, of superintendent's department, Vancouver, transferred to superintendent's department, Winnipeg, retaining his present appointment of inspector.

J. E. L. FOURNIER, manager, Napierville, to be manager, St. Jovite, Que.

V. R. STAMMERS, accountant, Belleville, to be manager, Fairbank, Toronto.

H. B. TWISS, manager, Alberni, B.C., to be an assistant manager, Vancouver.

R. F. RAIKES, of superintendent's department, Vancouver, appointed manager, West Point Grey, Vancouver.

J. A. THOMSON, accountant, Woodstock, Ont., to be manager, Ouellette Ave. and Tuscarora St., Windsor.

S. L. LUCAS, manager, Central Market branch, Hamilton, appointed manager, Glencoe, Ont.

W. M. NISBETT, manager, East End, St. Thomas, to be manager, Central Market, Hamilton.

H. L. KERR, manager, London St., Windsor, appointed manager, East End branch, St Thomas.

H. M. PATON, of head office, to be manager, London St., Windsor.

• • •

Toronto:

A. E. WOODS, formerly attached to head office supervisor's department, appointed assistant manager, Vancouver, B.C.

H. J. LANCASHIRE, formerly manager, Alliston, Ont., to be manager, Waterloo, Ont.

G. E. LIESEMER, formerly manager, Clarksburg, Ont., to be manager, Alliston, Ont.

P. A. L. AVOTTE, formerly accountant, Gravelbourg, Sask., to be accountant, Bonnyville, Alta.

H. E. PARTRIDGE, formerly accountant, Bonnyville, Alta., to be accountant, Swan River, Man.

H. J. BOYLE, formerly accountant, Swan River, Man., to be accountant, Neilburg, Sask.

W. K. GRAZIER, formerly accountant, Neilburg, Sask., to be accountant, Gravelbourg, Sask.

J. B. METCALFE, formerly assistant accountant, Windsor, Ont., to be accountant, that branch.

C. W. GIBBS, formerly assistant accountant, Dundas and Keele Sts., Toronto, to be accountant, Yonge and Belsize, Toronto.

W. H. TRITTON, formerly assistant accountant, Vancouver, B.C., to be accountant, 18th and Cambie St. branch, Vancouver.

• • •

Nova Scotia:

J. A. FIOTT, to be assistant to the general manager.

B. R. CALDER, to be chief supervisor of branches.

W. A. McLAGGAN, to be manager at Chesterville, Ont.

G. M. BLAKNEY, to be accountant, St. George St., Moncton, N.B.

E. O. FINLAY, to be accountant, Welland, Ont.

Dominion Bank Opens Branch at Moncton, N.B.

The Dominion Bank has opened a new branch at Moncton, N.B. This is the bank's second branch in the Maritime Provinces, with the other at Saint John, N.B. The new office will be under the management of F. B. Logan, formerly assistant manager of the bank's branch at Spadina Ave. and Adelaide St., Toronto. Mr. Logan is a Maritimer by birth, a native of Saint John.

TOWN OF BEAUPORT, Que., has sold $69,500 3% bonds due Sept. 1, 1950-59, $28,000 3¼% due 1960-63 and $157,500 3½% due 1964 to Grenier, Ruel & Co. and Banque Provinciale du Canada for 98.57 at net cost of 3.55%. Of 1964 maturity $150,000 will be paid through 15-year renewal loan. Of loan, $240,000 is for waterworks, sewers, fire protection, etc. and $15,000 for equipping park and playground. Of $351,300 net debt at Dec. 31, 1948, $331,300 was for waterworks. Population 5,200.

THE DOMINION BANK
Announces
The Opening of a Branch Office
in
MONCTON, N.B.
on
Monday, November 7th, 1949
Under the Management of
FREDRIC B. LOGAN

Canadian Life Officers Name Winners of Actuarial Prizes

At the early examinations of the Society of Actuaries 17 students at the Universities of British Columbia, Toronto, Manitoba, Western Ontario, McGill and Laval, attained a sufficiently high standing to qualify for actuarial prizes offered annually by the Canadian Life Insurance Officers Association.

This is the third year the association has made these awards to encourage young Canadians with outstanding mathematical ability to seek careers in the actuarial field.

In announcing the awards, the association said there is a steady demand for qualified actuaries in North America, with attractive employment opportunities in the life insurance business.

Successful students were:

University of British Columbia
GEORGE B. KYLE, Vancouver.
University of Toronto
W. H. AITKEN, Toronto.
JOHN P. MAYBERRY, Winnipeg.
ALAN D. MURCH, Toronto.
ROBERT C. DOWSETT, Toronto.
ALBERT L. WRIGHT, Toronto.
CLAYTON L. JACKSON, Ottawa.
University of Manitoba
GEO. R. DINNEY, Winnipeg.
PIERRE P. F. CLAY, Winnipeg.
ISAAC ROSENBERG, Winnipeg.
RALPH G. SWAIL, Winnipeg.
ROBERT R. GALLAGHER, Montreal.
WM. L. MURRAY, Jr., Trois Rivieres, Que.
R. E. GALLOWAY, East Kildonan, Man.
University of Western Ontario
IVAN R. TAYLOR, London, Ont.
McGill University
JOHN C. ANTLIFF, Montreal.
Laval University
JOSEPH G. NASSIF, Giffard, Que.

Three of the students — Mayberry, Galloway and Dowsett — passed Part 2 and Part 3 of this year's examinations while the others passed either Part 2 or Part 3.

Prizes amounting to $200 went to Mayberry and Dowsett while Galloway's award was $150. Remaining prizes were for $100 except that of Isaac Rosenberg, which was for $50.

These examinations lead to Fellowships in the Society of Actuaries. A Fellow of the Society is recognized as a qualified actuary and the examinations ordinarily require upward of five years to complete after graduation from university.

BANK OF CANADA

	Nov. 2 1949	Oct. 26 1949
Liabilities	$	$
Capital paid up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,296,635,238	1,295,107,257
Deposits: Dom.	26,974,508	83,937,137
Chart. banks	560,212,166	608,772,084
Other	68,511,676	66,582,885
Total deposits	655,698,350	759,292,106
Liabs. payable in sterling U. S. A. and foreign gold currencies:		
(a) to gov. of Can.	80,937,020	73,919,823
(b) to other	21,788	21,788
Total	80,958,808	73,941,611
All other liabs.	117,693,360	30,677,630
Total liabs.	2,166,036,123	2,174,068,971
Assets		
Sterling & for'n	75,458,808	68,425,124
Other curr.	63,118	73,453
Total	75,521,926	68,498,577
Subsid. coin	176,181	163,597
Adv. to chart. & sav. banks	....	3,000,000
Investments:		
Gov. sh. term	1,739,348,426	1,668,722,094
Oth. gov. sec.	240,637,526	373,829,088
Other secs.	5,500,000	5,516,487
Total invest.	1,985,485,952	2,048,067,669
Total share cap. at cost	25,000,000	25,000,000
Premises	3,724,313	3,724,313
All other assets	76,127,751	25,614,815
Total assets	2,166,036,123	2,174,068,971

LACHUTE, Que., Protestant Board of School Commissioners has sold $282,500 2¾% bonds due 1950-53, $31,000 3% due 1954-59 and $164,500 3½% due 1960-79 to Mills, Spence & Co. for 98.39 or net cost of 3.553%. Provincial secretary's grant of $288,400 for servicing the loan is payable in four equal annual installments. Proceeds are for extensions to the high school. School board has no other long-term debt; population 6,500.

DONALDA MINES received payment for Nov. 15 and Dec. 15 installments each comprising 40,000 shares at 40c a share under agreement with Stuyvesant-North Ltd. Issued capital is 3,250,000 shares, leaving 750,000 in treasury.

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter 1727)
Head Office: EDINBURGH
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E.C.2
8 West Smithfield, E.C.1
49 Charing Cross, S.W.1
Burlington Gardens, W.1
64 New Bond Street, W.1
Complete Banking Facilities
Total Assets £155,175,898
Associated Banks
Glyn, Mills & Co.
Williams Deacon's Bank Ltd.

Hotel Norton Palmer
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250 ROOMS
3 MINUTES FROM DETROIT

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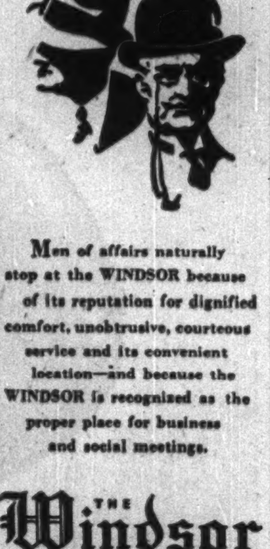


Men of affairs naturally stop at the WINDSOR because of its reputation for dignified comfort, unobtrusive, courteous service and its convenient location—and because the WINDSOR is recognized as the proper place for business and social meetings.
THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

Position of Chartered Banks of Canada as of September 30, 1949, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian	Deposits Elsewhere	Bal. due to other banks in Canada	Due to banks in U. K.	Due to Banks Elsewhere	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	3,656,066	134,793,327	43,825,775	....	648,491,043	1,083,448,954	15,028,776	139,359,628	20,026,546	11,998,021	23,273,277	28,237,967	1,446,700	28,697	44,000,000	36,000,000	2,233,613,682
Nova Scotia	1,239,486	26,331,798	1,856,298	....	201,627,308	405,557,076	6,713,449	83,049,384	5,265,253	1,652,606	4,229,161	14,930,764	369,063	355,766	24,000,000	12,000,000	789,186,415
Toronto	538,611	25,255,982	795,752	....	126,527,000	266,683,191	744,227	....	5,255,573	3,479,304	1,027,392	2,297,125	25,513	4,604	14,000,000	6,000,000	452,634,278
Provincial	261,308	3,177,509	597,676	....	33,735,806	109,137,096	35,601	....	1,989,879	....	30,362	555,256	64,313	10,650	2,000,000	4,000,000	155,585,075
Commerce	2,993,001	66,308,867	32,835,978	....	473,714,317	808,201,545	11,817,527	93,904,464	12,919,021	4,684,799	9,723,260	51,080,501	592,800	624,680	30,000,000	30,000,000	1,629,301,064
Royal	3,781,235	82,788,724	33,830,738	....	636,361,068	960,207,232	33,301,640	362,268,095	14,169,043	7,733,816	43,037,695	45,393,709	3,660,534	90,557	44,000,000	35,000,000	2,305,624,095
Dominion	503,979	28,473,401	1,867,788	....	132,403,342	214,247,653	5,009,643	8,809,861	5,004,630	2,374,840	2,057,875	9,185,267	224,257	178,120	10,000,000	7,000,000	427,343,631
Nationale	550,477	12,291,185	2,120,396	....	97,082,070	292,696,048	758,176	....	3,850,915	166,389	667,348	490,109	154,130	22,835	7,000,000	7,000,000	494,948,071
Imperial	709,602	22,214,101	36,926,340	....	147,071,765	363,077,354	3,126,387	....	6,048,502	3,795,118	2,922,188	8,177,711	150,814	212,991	10,000,000	7,000,000	510,432,878
Barclays	51,620	2,124,286	8,947	....	7,101,438	9,207,777	5,604,550	....	374,986	4,709,924	1,680,939	1,634,972	18,858	....	1,500,000	1,500,000	35,418,300
Total	14,286,180	403,659,180	154,665,658	....	2,504,104,947	4,411,459,856	82,138,285	687,384,432	74,804,348	40,504,817	88,659,407	161,983,372	6,705,971	1,538,900	186,500,000	145,500,000	8,963,985,489

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in Circ.	Bills rediscounted with Bank of Canada
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	305,013	3,682,846	....
Nova Scotia	15,000,000	12,000,000	12	2,446,688	1,254,640	....
Toronto	10,000,000	6,000,000	12	443,444	543,776	....
Provincial	5,000,000	4,000,000	6	1,486,513	262,518	....
Commerce	50,000,000	30,000,000	8	1,655,622	3,017,803	....
Royal	50,000,090	35,000,000	10	3,537,483	3,846,640	....
Dominion	10,000,000	7,000,000	10	388,747	509,254	....
Nationale	10,000,000	7,000,000	8	742,104	553,583	....
Imperial	10,000,000	7,000,000	12	533,184	715,372	....
Barclays	1,500,000	1,500,000	....	....	32,605	....
Total	211,500,000	145,500,000	....	11,519,788	14,438,045	....

†And loans for which they are guarantors

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes and Cheques on other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U. K.	Due by banks elsewhere	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	2,500,855	11,861	38,707,009	203,672,783	98,238,820	2,169,365	3,708	4,079,281	73,147,824	339,143,630	537,803,188	35,049,790	95,585,843
Nova Scotia	1,078,574	657,056	18,541,983	41,384,911	37,436,459	20,039,699	....	304,984	13,044,194	59,190,005	182,433,554	5,123,971	55,598,704
Toronto	624,723	....	8,396,073	37,348,273	23,265,832	952,002	....	90,361	5,555,051	43,623,332	153,532,101	6,733,579	13,178,623
Provincial	480,944	....	3,992,934	8,966,317	6,765,276	445,835	....	1,632	1,573,139	19,533,239	18,915,687	2,764,093	19,934,103
Commerce†	1,862,303	110,658	25,712,307	111,915,448	47,126,370	3,178,600	104,151	1,488,918	32,980,183	151,179,639	473,273,558	18,893,161	42,337,889
Royal‡	2,486,260	1,854,552	42,025,065	111,938,610	108,735,629	82,851,562	18,538	9,849,242	33,932,288	253,633,582	521,151,917	17,755,351	79,078,078
Dominion	577,648	208	6,034,184	33,060,981	21,311,475	612,689	198	1,690,309	7,252,474	62,977,978	81,237,979	1,057,585	5,765,903
Nationale	1,167,638	....	11,896,982	28,555,404	16,208,644	811,950	....	84,499	2,514,633	76,657,857	60,428,359	2,831,241	39,475,945
Imperial	693,245	....	12,543,107	25,949,831	26,612,836	1,110,042	780,420	526,848	5,516,713	56,606,432	183,040,220	1,559,910	7,594,307
Barclays	7,470	....	172,501	2,939,880	556,017	9,610	107,900	265,217	2,410,413	2,557,875	5,033,061	424,465	6,851,475
Total	11,454,657	2,634,425	168,021,677	611,513,363	396,257,251	112,178,254	1,014,915	18,350,971	203,737,921	1,083,294,563	2,176,679,615	92,164,251	328,108,890

NAME OF BANK	Canadian municipal securities	Public Securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	•Real estate other than Bank premises	Bank Premises	Deposit for note circulation	Other assets	•Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	47,320,767	87,874,933	131,303,612	15,459,918	30,320,384	433,334,490	18,810,737	6,204,447	19,022,972	698,822	300,788	13,230,736	206,469	3,114,907	2,236,552,923
Nova Scotia	8,240,808	7,673,655	21,647,161	21,350,872	10,955,550	223,153,672	43,495,024	11,660,415	7,916,487	63,276	4,033	8,741,753	70,941	5,739,309	791,524,129
Toronto	6,539,491	....	15,120,321	4,801,479	....	131,381,237	....	1,533,158	6,298,334	22,393	8,328	3,510,703	29,980	63,547	453,749,065
Provincial	7,394,193	....	7,935,441	3,129,428	....	45,218,635	....	43,364	3,743,652	21,507	69,585	2,130,453	14,792	448,097	155,977,411
Commerce†	21,227,059	46,217,879	68,329,231	15,862,223	6,918,289	405,490,073	43,817,026	30,791,380	11,598,687	444,743	249,740	17,448,192	175,000	4,201,830	1,632,390,113
Royal‡	34,511,251	114,492,718	118,498,683	28,016,987	38,412,633	494,724,781	106,875,048	330,240	13,331,624	260,986	278,076	13,534,083	220,000	7,571,439	2,307,156,687
Dominion	6,438,283	4,254,082	7,105,503	3,087,201	4,758,507	161,742,288	1,366,093	1,318,283	624,402	25,858	45,620	6,229,995	90,072	298,474	428,808,141
Nationale	17,524,622	683,751	16,417,090	2,092,884	....	131,903,781	....	8,239	9,299,451	21,750	253,745	6,731,755	30,295	382,390	425,333,587
Imperial	7,483,367	3,031,525	11,421,781	4,020,793	....	174,929,166	61,605	83,251	5,595,102	27,888	....	6,598,681	39,217	64,737	511,948,657
Barclays	1,033,270	3,838,100	250,000	951,537	....	5,166,477	....	....	....	296	....	1,315,498	3,459	22,019	35,571,533
Total	158,801,027	238,046,643	391,225,733	103,279,318	97,355,355	2,184,053,483	213,845,550	41,946,758	77,610,774	1,598,003	1,210,122	88,493,870	829,228	21,886,254	8,978,602,445

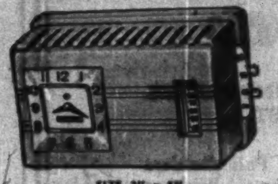
*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

•Includes mortgages.
•Includes $161,983,372 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

Saves fuel while you Sleep



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Sleep in cool comfort every night, and arise to a warm house every morning with Honeywell's beautiful electric clock thermostat which tells time . . . and saves fuel!

By automatically lowering temperature during sleeping hours, Chronotherm cuts fuel bills 9⅛% on an average. Chronotherm can be installed on any automatic heating system in place of your present thermostat. Ask your heating dealer today for full details.

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TEMPERATURE CONTROLS

Minneapolis-Honeywell Regulator Company Limited
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ABOUT YOUR TAXES — By STUART THOM, LL.B.

Entertainment Expenses Allowable Deductions

It is unlikely that the recent decision of the Tax Appeal Board in the case of A. S. Herrmann Ltd. vs. The Minister of National Revenue will be the last word on deductibility of entertainment expenses.

The facts were that W. M. Levy, president and principal shareholder of the company, was accustomed to spend certain amounts each year entertaining customers of his company or their representatives, both in Montreal and Toronto. In addition, at Christmas it was established practice to distribute gifts among the customers. The Tax Department refused to allow the deduction claimed by the taxpayer for such expenses in 1946 on the sole ground that they were not wholly, exclusively and necessarily laid out for the purpose of earning the income.

Vouchers Not Produced

The company appealed and its appeal was upheld by a majority of the board. The majority accepted Mr. Levy's evidence verifying the expenditures even though vouchers or receipts could not be produced in respect of most of them. They held that the expenses having been made in accordance with practices generally followed in this type of business for the purpose of promoting sales they were therefore deductible.

Mr. Commissioner Fisher dissented, and in so doing focused attention on the fact that the Department had attacked the deductibility of these expenses only on the ground that they were not wholly, exclusively and necessarily laid out for the purpose of earning income. It is difficult to read his dissenting judgment without coming to the opinion that the reason underlying his conclusion was that the amount of the expenses was unreasonable. The amount claimed was, in fact, very nearly half of the profits otherwise subject to tax in that year although only a very small percentage of the gross sales during the year.

Meaning of "Necessarily"

In the dissenting judgment attention was directed to the words of the statute, particularly the word "necessarily." The argument was made that there must be positive proof that expenses, in order to be deductible, must have been necessary to earn the income. It might be thought that this argument had been finally rejected in the judgment of Mr. Justice Thorson in the Imperial Oil case in 1947, where it was in effect laid down that the deductibility of expenses was to be determined according to the ordinary principles of commercial trading. The Imperial Oil decision was not referred to however.

The result of the Herrmann Limited appeal is that entertainment expenses and Christmas gifts are allowable deductions under section 6 (1) (a) of the Income War Tax Act for the type of business carried on by that company. In the absence of any attack on the amount claimed, the court was left to assume that it was reasonable and the whole claim was allowed. It would seem to be open to the Department to attack the reasonableness of the amount of such deductions in some future case.

Trading Values Rise Sharply On Stock Market

October trading values on the Toronto Stock Exchange reached a high since May of 1948 at $55,846,748. The higher dollar value in face of a decline in share turnover (off some 4 million shares from September) is partially attributable to the increased activity in industrial shares.

During the month a total of 750 issues was traded on the exchange of which 430 advanced against 210 declines. Industrial index was up 13.77 points, base metals 7.85, golds 6.10 and western oils up 5.45 points. The move in the industrials carried the industrial index to 195.59, a new high to that date since August, 1946.

Below are the 10 most active industrial and mining stocks.

Stock	Shares		Net chge.
Imperial Oil	130,661	up	2½
Brand & Mill. A	52,956	off	5
Walkers G. & W.	50,183	up	2⅝
Massey-Harris	49,521	up	2½
Abitibi	47,791	up	5
Bell Phone	47,083	off	1⅛
C.P.R.	46,484	up	⅝
Fed. Grain	37,588	up	1
Int'l Paper	37,536	up	6¾
Brazilian	37,163	up	½
Mines			
Donalda	1,839,675	up	9
Nicholson	1,351,400	up	16
Cons. Label	1,173,354	up	19
Eldona	807,970	off	8
East Sull.	717,968	up	1.60
Dalhousie	669,766	up	1
Bonetal	664,010	up	21
Chesterville	445,879	off	30
Perron	400,980	up	1
Sherritt	386,383	off	40

LOUVICOURT GOLDFIELD CORP. reports that option agreement with Federal Trading & Agency has been canceled and that by new agreement of Nov. 1, 1949, Federal Trading & Agency Co. has underwritten 150,000 shares at 15c a share, payable $15,000 two months after issue of supplementary letters patent and $7,500 three months after issue of supplementary letters patent and has optioned 200,000 shares at 17½c a share and 200,000 shares at 20c a share.

Mounting Gold Production Behind 20% Rise in Exports

OTTAWA (Staff) — Canada's exports of gold to the United States during 1949 may reach $140 millions.

Last year the total was $119 millions. The high mark was $204 millions in 1941; the low, $96 millions in 1946.

Cumulative exports for the first eight months of 1949 show $87 millions, 20% above the same period last year.

Behind this gain is the mounting output of Canadian gold mines. August figures hit 359,000 oz. That's 18% more than the same month in 1948. It brings cumulative production for the first eight months of this year up to 2.6 million ounces — a raise of 15.6% from last year.

For the last three months of 1949, official figures of Canada's gold exports will reflect the 10% premium on U. S. funds since Sept. 19. It is believed there has been no unusual rush to sell gold to the Government on the part of the industry since that date. Whether this will happen in the last two months of 1949 remains to be seen.

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A new policy providing accidental death and dismemberment benefits to protect your loved ones. Your beneficiaries will receive:

Face Value of the policy if you die from a natural cause.

Double the Face Value of the policy if you die by accident.

Triple the Face Value of the policy if you die while riding as a passenger in a public conveyance (except aeroplane) or while in a burning public building.

You yourself get liberal dismemberment benefits providing cash for loss of parts of your body.

Ask for our pamphlet "Confederation Life Announces" giving particulars of these benefits. It will interest you.

Before You Insure Consult

Confederation Life Association
HEAD OFFICE TORONTO

Figures Show Urgency Of Shipbuilding Aid

MONTREAL (Staff) — The urgent necessity of immediate action by the Canadian Government on its plans for "assistance to the shipbuilding industry," announced in the Throne Speech, is seen with the issuance of production figures for the quarter ended Sept. 30, 1949, by Lloyd's register of shipping.

Canada's shipbuilders are losing ground according to the figures. Tonnage under construction totaled 45,280 tons at Sept. 30 against 58,860 tons at June 30 and 76,192 tons at Dec. 31, 1948. Of the 45,280 tons, 14,450 tons is being built for registration in other countries.

Nine of 12 leading shipbuilding countries of the world showed increases in volume of shipping under way in the third quarter of 1949. Only countries to report declines were Italy, British Commonwealth countries (including Canada) and Norway.

Outlook "Very Bleak"

Outlook for Canadian shipbuilding industry is "very bleak," one Montreal shipbuilder told The Financial Post. Europe has been able to underbid us for construction of ships and devaluation has made it worse, he added. No more foreign orders for Canadian yards can be expected, he stated.

On a world basis, Lloyd's reports continuation of the steady increase in the building of merchant vessels with volume of shipping under way totaling over 4,607,700 tons at Sept. 30 against 4,446,000 tons the end of June and 4,140,000 tons Jan. 1. Prior to the war, the total of merchant shipping under construction throughout the world was 2,859,000 gross tons.

Although Great Britain and Ireland were building slightly more than 50% of the world's merchant shipping at beginning of this year, their proportion at the end of September has decreased to 45.5%, while in same period the share of United States has risen 9.8% to 13.6%; and that of the other Maritime countries, taken together, advanced from 39.1% to 40.9%.

September Building Up

New shipbuilding begun throughout the world in the quarter ending September 30 last was about 72,500 tons greater than in the June quarter. But while Great Britain and Ireland showed a gain of about 114,000 gross tons, there was a decrease of approximately 41,500 tons for the other Maritime countries as a group. Volume of new building for the entire world, however, was nearly 100,000 gross tons greater than the tonnage of launchings in the September quarter. For Great Britain and Ireland the excess of new work was approximately 65,000 gross tons, and for other Maritime countries combined, more than 33,000 tons.

Shipping on which work was completed during the September quarter aggregated about 26,000 gross tons more than in the June quarter; the September total of 770,977 comparing with 744,686 tons at the end of June. In September work completed in Great Britain and Ireland totaled 339,862 gross tons, as against 339,012 in June. For the other countries, as a group, completions advanced from 405,674 tons at the end of June to 431,115 in September period. The 770,977 tons of ships completed during the September quarter were nearly 150,000 tons less than the total for new work begun during that period, Lloyd's points out.

NEW GOLDVUE MINES has received payment for 30,000 shares at 20c a share, part of Oct. 22 installment under agreement with Torny Financial Corp. Balance of installment, comprising option on 90,000 shares at the same price, has been extended to Nov. 25 and each subsequent installment has been similarly extended. Issued capital is 1,310,00 shares, leaving 1,690,000 in treasury.

EL SOL GOLD MINES has received payment for Oct. 23 underwriting of 100,000 shares at 7½c a share under agreement with Federal Trading & Agency Co. Issued capital is 2,450,000 shares, leaving 1,550,000 in treasury.

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The confidence that Canadians put in the name "Gutta Percha" is the outcome of over 65 years of making and selling an endless variety of rubber products—it has played its part in making "Gutta Percha" the largest all-Canadian rubber company. Write for full information to your nearest Gutta Percha Office listed below.

Major Gutta Percha Products are:

BELTING: Transmission, Conveyor, V Belts, F.H.P. Belts, Elevator

FOOTWEAR: Rubber boots, shoes, galoshes, Canvas shoes with rubber soles

TIRES AND TUBES: For trucks, farm tractors, implements and passenger cars.

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AUTOMOTIVE ACCESSORIES: Camelback, friction tape, radiator hose, etc.

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568-M-8

The year is 1949...

CANADIANS pause on Remembrance Day to pay tribute to the courage of those who died to keep us free:

These young men and women gave "the last full measure of devotion" to causes that perhaps not all of them fully understood. But today it is *our* job to understand these causes, to recognize Canada's place among the nations, and to do all we can to preserve freedom among men:

The stout hearts and strong arms of her sons and daughters have always been Canada's sure shield. Every Remembrance Day we honour those who went forth to battle in almost every decade of our nation's history from 1775 to 1945:

This Day, as we pay tribute to those who gave everything, we remember the living too, and the descendants of those who fell. Let us help the Canadian Legion whose self-appointed task is to see that neither are forgotten, that the dead are honoured and the living helped.

It is a privilege for every Canadian to wear a Poppy to help the Canadian Legion raise the POPPY FUND. And while the "Last Post" is sounding this Remembrance Day, wearing a POPPY shows we remember our debt to the veterans of Canada's wars and their families.

Wear a Poppy on Remembrance Day

Gooderham & Worts
LIMITED
Canada's Oldest Distillery
ESTABLISHED 1832

Waterfront of the Town of York (now Toronto) in 1832
Gooderham & Worts Mill in foreground.

With Costs Still Rising . . . Every Property Owner Should Ask Himself This Question Right Now! Don't Put it Off!!

Labor and material costs are at an all time high. Replacement estimates from building contractors are enough to shock any property owner. Now is the time to review your insurance coverage . . .. not after a FIRE has completely wiped you out!

If you haven't reviewed your program for a year or two . . the chances are you have not *adequate protection*. When FIRE strikes, you usually lose everything. Could you afford to replace your loss, or would you through an oversight put yourself in debt for the rest of your life?

Get in touch with a Norwich Union agent today . .. . he will be only too glad to discuss your particular problem and advise on whether or not your present insurance gives you complete protection. Remember, there is no obligation whatsoever.

Retirement Warrants Study Too!

Your future personal happiness is entirely dependent on intelligent planning now. Adequate Insurance costs very little and is your best bet for family security. Plan now for a carefree retirement . . . let your Norwich Union Life man show you how simple it is to plan with Adequate Insurance. You benefit from his wide experience . . . and, there is no obligation.

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Ford Pension and Social Security Complementary, Here's How They Work

Although any immediate demand for an employer-financed retirement plan appears unlikely in Canada, possibility that such may be made some day adds interest for Canadian employers and employees in the terms of the recent pension agreement between the Ford Motor Co. and its employees. Ford of Canada employees are understood to have the same pension aims (The Financial Post, Oct. 8).

The U. S. plan aims at ensuring employees an annual retiring pension of $1,200. This $1,200 is not in addition to, but includes present benefits under the Social Security Act. The Ford Co. agrees to make up the difference between the Social Security benefits and $1,200. (At present, old-age pensions in the U. S. average $420 a year.)

If the Social Security benefits rise, the amount the company is required to contribute decreases accordingly.

Features of the plan are:

Noncontributory

It is noncontributory, being financed completely by the company.

For the duration of the pension agreement, beginning March 1, 1950, the fund from which pensions will be paid will be provided by the company paying into the fund, 8¾c for every hour for which an hourly rated employee covered by the contract is paid. Since the company assumes the responsibility to make contributions sufficient (according to actuarial estimates) to provide the monthly benefits specified in the agreement, it may vary these payments accordingly. Past service benefits shall be funded as the company may determine.

Normal retirement age shall be 65, automatic at 68, with no increase in benefits after 65.

Employees with 30 years service, and age over 60, with the consent of the company may retire early, with reduced benefits.

Employees between 55 and 65 with 30 years service are permitted to retire on permanet and total disability.

The company at its sole discretion may retire any employee over 65 because of employee's inability to do efficiently work assigned to him.

Employees whose employment terminated after July 15, 1949 but who, before the effective date of the program, would have qualified for benefits under the program had it been in effect when employment terminated, shall be treated as having retired.

Employees age 67 on July 16, 1949, shall be automatically retired on the date of their first birthday following Jan. 1, 1951. No employee shall be subject to automatic retirement prior to April 1, 1952, if at the time he reaches normal retirement age (65), he has more than 10 years of service and would receive a pension (including Social Security) under $75 a month.

Past Service

Past service is credited at the rate of one year seniority as defined in the collective bargaining agreement, excluding seniority credited for military service prior to employment with the company; "provided, however, that there shall be added a year of past service for each year by which the total years of accumulated active service prior to June 20, 1941, exceed by more than five years total seniority for that period."

Future service shall be credited at the rate of one year for each calendar year prior to 65, in which the employee is paid for 1,800 or more hours, ¾ year for 1,300 to 1,799 hours, ½ year for 750 to 1,299 hours, with no credit for less than 750 hours in a calendar year.

No employee shall have any vested right under the program except in connection with retirement as provided for under the program.

The company has the sole right to contract with a qualified bank or trust company to act as trustee of the pension fund and to invest it and make such benefit payments as are specifically authorized.

The pension agreement shall be in force for five years from March 1, 1950. Either party may request renegotiation of the provisions of the pension agreement, by 60-day written notice to the other party before March 1, 1955.

No Liability for Depreciation

The company is not required to make additional payments to the fund to make up any deficiences arising from depreciation in the value of the securities in the fund resulting from abnormal conditions.

Benefits payable under this plan shall be reduced by the amount of any future increase in the old-age benefit payments under the (U. S.) Federal Social Security Act.

Benefits provided under the plan shall be as follows:

For employees retiring "at normal retirement" (65 or older) with 30 years or more of credited service $100 a month, including primary (old age) insurance benefits under the U. S. Federal Security Act, payable to the employee. Employees 65 or older with less than 30 years of credited service may draw a pension proportionate to their length of service computed at $100 a month for 30 years, including primary Federal Social Security benefits as before. Thus an employee with 20 years service would draw 20/30 of $100 a month.

Over 60 Under 65

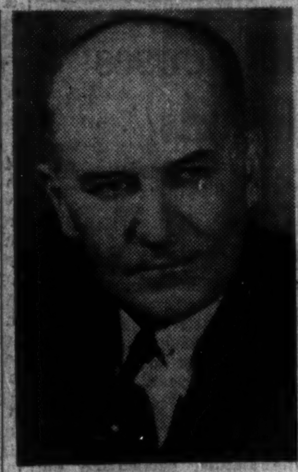
Employees over 60 but under 65, after 30 years credited service, including 10 years after the effective date of the plan, may draw a benefit reduced to equate for all factors so as not to increase the cost of the plan or impair the benefits payable under other sections.

Benefits payable under Social Security shall be deductible from the pension benefit payable after retirement under the plan whether or not such Social Security payment is lost by the individual through acceptance of covered employment or otherwise.

Retirement for total and permanent disability after 30 years credited service at 55 or older shall be at a flat retirement benefit of $50 a month less any (U. S.) Federal Social Security benefit receivable by the employee for disability.

The company also agrees to add)without extra employee contribution) to its present group insurance policy with the John Hancock Insurance Co. for death, dismemberment, accident and sickness benefits, a maximum benefit of $280 for hospital confinement of 70 days or more. The maximum will be proportionately reduced for fewer than 70 days at $4 a day.

The company will also keep in force without change its present arrangement for providing Blue Cross and Blue Shield benefits.



KIRBY F. HANNAN

of Kirby F. Hannan & Co., certified public accountants, Toronto, has been elected president of the Certified Public Accountants Association of Ontario.

Bank Transactions Show $100,000 Gain

MONTREAL (Staff) — Industrial Development Bank loans and investments increased another $100,000 during September, bank reveals. Comparative statements for past two months follow:

	1949 Sept. 30	1949 Aug. 31
	$	$
Assets:		
Cash on hand & in bks.	41,197	9,989
Dom. Govt. secs.	6,230,093	6,185,744
Loans & invests.	20,345,030	20,244,608
Guar. & u/w agree.	3,260,000	3,265,000
Prop. held for sale	30,500	......
All other assets	348,152	367,511
Total	30,254,972	30,072,852
Liabilities:		
Capital paid-up	25,000,000	25,000,000
Reserve fund	783,612	783,612
Conting. liab. re guar. & u/w agreements	3,260,000	3,265,000
All other liabs.	911,360	724,240
Reserve for losses	300,000	300,000
Total	30,254,972	30,072,852

A GOOD COMPANY TO KNOW

Through The National Life Assurance Company of Canada you can arrange to leave money to your family **before** you earn it. It's a good company to know.

The National Life Assurance Company of Canada

Home Office Toronto

Established 1897

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POLICYHOLDERS' INTERESTS COME FIRST

AND rightly so. Policyholders pay the premiums. Without these premium payments no insurance company could exist. Consequently policyholders are entitled to primary consideration in all matters affecting their interests.

They receive this primary consideration from "North America" Companies, whose record for prompt and liberal settlement of claims is common knowledge.

There is no sounder insurance protection than that provided by "North America" Companies' Fire, Marine, and Casualty Insurance policies.

Business accepted solely through Agents or Brokers.

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NORTH AMERICA
COMPANIES

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G22

SECURITY — EXPERIENCE ECONOMY

An office, experienced in all classes of INSURANCE, is available for consultation on YOUR INSURANCE problems.

INSURANCE BROKERS
MITCHELL & RYERSON
90 Adelaide St. East TORONTO 1

Canadian Insurance Firms Win Life Advertisers Awards

At the annual meeting of the Life Insurance Advertisers Association at Chicago, 14 Canadian companies representing less than 10% of the attendance won 14 prizes, 17% of the total awards.

Excelsior Life led Canadian companies, winning three awards for sales aid, national magazine advertising, and newspaper advertising. Eleven other Canadian companies won one award each.

The contest was divided into three groups, companies with: 1, $800 millions or more ordinary insurance in force; 2, $200 millions to $800 millions; 3, less than $200 millions.

Canadian winners are as follows:

Classification 1—Material to Motivate Agents—Group II: CROWN LIFE INS. CO.

Publications Addressed to Agents—Group I: MANUFACTURERS LIFE INS. CO.

Sales Aids—Group II: EXCELSIOR LIFE INSURANCE CO.

Group III: MONARCH LIFE ASS. CO. OF CANADA.

Prestige and Goodwill Builders—Group II: NORTH AMERICAN LIFE OF CANADA.

Policyholder Material—Group II: IMPERIAL LIFE ASS. CO. OF CANADA.

National Magazine Advertising—Group II: EXCELSIOR LIFE INS. CO.

Newspaper Advertising—Group I: GREAT-WEST LIFE; LONDON LIFE; MUTUAL LIFE OF CANADA.

Group II: EXCELSIOR LIFE INS. CO.

Group III: NORTHERN LIFE OF CANADA.

Employee Relations Material—Group I: SUN LIFE OF CANADA.

Group II: CONFEDERATION LIFE ASSN.

Canadian who were active in arranging the convention program and carrying it out included:

W. ARTHUR HAND, Confederation Life, member of program committee.

W. A. NEVILLE, Great-West Life, chairman of committee and of one of the morning sessions.

HUGH INNES, Manufacturers Life, member of exhibits committee.

CYRIL BRAGG, Crown Life, vice-chairman of attendance and promotion.

MORGAN S. CROCKFORD, Excelsior Life, chairman of opening business sessions.

HAROLD B. BROWN, Imperial Life, member of executive committee and speaker on one of the panels.

GEORGE I. POWELL, Great-West Life, also speaker on one of the panels.

A. L. CAWTHORN-PAGE, manager of Canadian publications, Metropolitan Life, was elected to the executive committee for 1950.

Calgary Charge Is Dismissed

From Our Own Correspondent

CALGARY—Charge of issuing a false statement to shareholders of Home Assurance of Canada against George A. Wilson, vice-president and managing director, was dismissed in police court here.

In dismissing the charge, the magistrate said it could not be definitely concluded that Wilson had made up the balance sheet which showed outstanding claims of $30,550 while outstanding claims actually were $305,959.

Whether the defendant knew the statement to be false was a point dealt with by the magistrate.

Wilson had invested $34,000 in the company in December, 1947, and was the largest shareholder and lost everything when the company went into bankruptcy.

The manner in which Home Assurance business was carried out was scored during court proceedings and the condition in which the insurance inspector found the files in the claims department made it impossible to tell which was true and which was false, the magistrate declared.

In dismissing the charge, the magistrate said Wilson had contributed to the false balance sheet, as had the auditor and other office staff.

HARRICANA GOLD MINE INC. has purchased 200 acres in Dasserat twp., Que., through issue of 200,000 pooled treasury shares to be released at rate of 10% monthly.

PORCUPINE PRIME MINES has started diamond drilling in Tisdale twp. with Dr. G. C. McCartney in charge.

In Australia and New Zealand

With total assets of over £275,000,000 and with over 800 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, this Bank is better equipped to facilitate trade with these countries than any other institution there.

BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

They Are Foolish Who Give Their Enemies The Means Of Destroying Them

Those who aim by means of propaganda to destroy our way of life are constantly seeking weaknesses or possible failings in our system in order to turn such shortcomings to their own ends.

Therefore . . . it is in our national interest to make of democracy a system strong and healthy. We must unite in endeavouring to develop that which is good in what we have and to eliminate the minor faults.

In this way, we divert the barbs of propaganda directed against our way of life. In this way, we deny our enemies the means of destroying us. In this way, we shall remain "standing for ages".

Let us not be so foolish as to give our enemies the means of destroying us.

* * *

The Union Insurance Society of Canton has provided insurance safeguards from many types of hazard for more than a century . . . consistently maintaining the highest standards of integrity. The services provided by the "Union of Canton" make an indispensable contribution to the well-being of our Canadian economy.

UNION INSURANCE SOCIETY OF CANTON LIMITED

EST 1835 · FIRE · MARINE · GENERAL INSURANCE

Head Office For Canada: Metropolitan Bldg., Toronto · Colin E. Sword, Manager for Canada

COMPANIES OF THE "UNION OF CANTON" GROUP

BRITISH TRADERS INSURANCE COMPANY LIMITED · THE BRITISH OAK INSURANCE COMPANY LIMITED

BEAVER FIRE INSURANCE COMPANY

Also under same management in Canada: THE SOUTH BRITISH INSURANCE COMPANY LIMITED

280

The Calendar of Your Future . . .

The moment you start saving, you begin to bring into existence something which doesn't yet exist. For as surely as an artist creates a masterpiece line by line, so your savings will little by little fill in the outlines of the picture you want to find on the calendar of your future years.

For nearly a hundred years The Bank of Toronto has helped men and women mark the passage of time by their growing savings.

Like them, you can make time your ally . . . your partner in creating future security out of present earnings.

We suggest you open a Savings Account with The Bank of Toronto. Remember, savings set no time limit to their usefulness . . . their value. Use this Bank's friendly service in planning those regular savings on which so much can depend.

THE BANK OF TORONTO

Incorporated 1855

L. G. GILLETT, General Manager

N-12-49

DIVIDEND NOTICES

THE BANK OF TORONTO
DIVIDEND NO. 273

Notice is hereby given that a Dividend of Thirty Cents per share on the Paid-Up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its Branches on and after the first day of December next, to shareholders of record at the close of business on November 15th, 1949. ALSO that a Bonus of Twenty Cents per share on the Paid-Up Capital Stock of this Bank has been declared for the year ending November 30th, 1949, payable at the Head Office and Branches on and after January 3rd, 1950, to shareholders of record at the close of business on November 15th, 1949.

By Order of the Board.
L. G. GILLETT,
General Manager.

Disher Steel Construction Co., Limited
COMMON DIVIDEND

Notice is hereby given that a dividend of FIFTY CENTS (50c) per share has been declared on the Common Shares of the Company, payable January 3rd, 1950, to Shareholders of record at the close of business November 30th, 1949.

By Order of the Board,
DONALD H. ROWAN, K.C.,
Secretary.
Toronto, November 2nd, 1949.

Canadian Food Products Limited
DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the following dividends have been declared payable on January 2, 1950, to shareholders of record at the close of business on November 30, 1949: $1.12½ per share on the 4½% Cumulative Convertible Redeemable Preference Shares; 25c per share on the Class A shares.

By Order of the Board.
HOWARD R. DOUGLAS,
Secretary.
Toronto, Ontario,
November 1, 1949.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividend.

No par value Common Stock

No. 34. 50c. per share, payable December 31st, 1949 to holders of record at the close of business on November 18th, 1949.

L. C. HASKELL,
Secretary.
Montreal, October 28th, 1949.

Canadian Breweries Limited
DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared on the outstanding Capital Stock of this Company, payable January 2nd, 1950, to shareholders of record at the close of business November 30th, 1949.

By Order of the Board.
W. C. BUTLER,
Secretary.
Toronto, November 1st, 1949.

IMPERIAL OIL LIMITED
NOTICE TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS

A dividend of 25c per share has been declared on the outstanding shares of the Company, payable December 1st, 1949. Registered shareholders of record November 17th, 1949, will receive dividends by cheque. Dividends in respect of share warrants will be paid on or after December 1st, 1949, by The Royal Bank of Canada on presentation of coupon number 73. Transfer books will be closed from November 18th to November 30th, inclusive, 1949. Dividends payable to non-residents may be converted into foreign currencies at the official rate prevailing on date of presentation as authorized by Canadian Foreign Exchange Control Board.

By Order of the Board.
COLIN D. CRICHTON,
General Secretary.
November 3, 1949.

ENAMEL & HEATING PRODUCTS LIMITED
Dividend Notice

Notice is hereby given that a Dividend of 50c per share has been declared on the issued and outstanding Capital Stock of the Company, payable on Tuesday, January 31, 1950, to shareholders of Record at the close of business, Saturday, December 31, 1949.

By order of the Board of Directors.
A. R. FRENCH,
Secretary-Treasurer.
October 31, 1949.

BRUCK MILLS LIMITED
Bruck

Class "A" Dividend

NOTICE IS HEREBY GIVEN that a regular quarterly dividend of 30c per share has been declared on the outstanding Class "A" shares of the Company, payable December 15th, 1949, to shareholders of record as at the close of business on November 15th, 1949.

Class "B" Dividend

A regular quarterly dividend of 7½c per share has been declared on the outstanding Class "B" shares of the Company, plus an extra dividend of 7½c per share both payable December 15th, 1949, to shareholders of record November 15th, 1949.

By Order of the Board,
H. STERN,
Secretary-Treasurer
Montreal, Quebec,
November 2nd, 1949.

DIVIDEND NOTICES

BANQUE CANADIENNE NATIONALE
QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of two per cent (2%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 30th day of November, 1949. This dividend, bearing Number 235, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of December, 1949, to the shareholders of record on November 15, at the close of business.

By Order of the Board,
CHARLES ST-PIERRE,
General Manager.

McCOLL-FRONTENAC OIL COMPANY LIMITED
"COMMON STOCK DIVIDEND"

NOTICE IS HEREBY GIVEN that a Dividend of 25 cents per share has been declared on the no par value common stock of McColl-Frontenac Oil Company Limited, payable December 15th, 1949, to shareholders of record at the close of business on November 15th, 1949.

By Order of the Board,
FRED HUNT, F.C.I.S.
Secretary.

VIRGINIA DARE LIMITED
DIVIDEND NOTICE
PREFERENCE SHARES

A dividend of Thirty-one and one-quarter Cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending December 1st, 1949, payable on December 1st, 1949, to Shareholders of record November 19th, 1949.

By Order of the Board,
G. I. TAYLOR,
Secretary.
Toronto, November 7, 1949.

THE DE HAVILLAND AIRCRAFT OF CANADA, LIMITED
Dividend—Class "A" Stock

Notice is hereby given that a Dividend of One Dollar ($1.00) per share on the Class "A" shares of this Company has been declared payable on December 1st, 1949, to shareholders of record at the close of business on the 24th day of November, 1949.

By Order of the Board.
GEO. J. MICKLEBOROUGH,
Secretary-Treasurer.
Toronto, Ontario,
November 2nd, 1949.

THE STOWELL SCREW COMPANY LIMITED
NOTICE

NOTICE IS HEREBY GIVEN that a dividend of Seventy-five cents (75c) per share, being at the rate of $1.50 per share per annum, has been declared on the Class "A" Shares of Capital Stock of THE STOWELL SCREW COMPANY LIMITED for the half year ending November 30, 1949, payable December 1, 1949.

MONTREAL, P.Q. November 1, 1949.
(SGD.) A. M. MORRISSEY,
Secretary.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY B-A LIMITED
PREFERRED STOCK

NOTICE is hereby given that a dividend of 23.4375c per share has been declared on the issued Preference Shares of the Company, being at the rate of Three and Three-quarters per cent (3¾%) per annum, for the fourth quarter ending December 31st, 1949. The above dividend is payable in Canadian Funds, January 3rd, 1950, to shareholders of record at the close of business on the 6th day of December, 1949.

H. H. BRONSDON,
Secretary.
Dated at Toronto,
November 4th, 1949.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY B-A LIMITED
COMMON STOCK

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value Common stock of the Company for the fourth quarter ending December 31st, 1949. The above dividend is payable in Canadian Funds, January 3rd, 1950, to shareholders of record at the close of business on the 6th day of December, 1949.

H. H. BRONSDON,
Secretary.
Dated at Toronto,
November 4th, 1949.

Dominion Electrohome Industries Limited
DIVIDEND

NOTICE IS HEREBY GIVEN that a dividend of twenty cents (20c) per share on the paid up common shares of the Company has been declared payable on Thursday the 1st day of December, 1949, to Shareholders of record at the close of business on Tuesday the 15th day of November, 1949.

By order of the Board,
LESLIE B. HOPE,
Secretary.
Kitchener, Ontario,
1st November, 1949.

NOTICES

THE DOMINION BANK
Notice of Annual General Meeting

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, King & Yonge Streets, Toronto, on Wednesday, the fourteenth day of December next, at 2.30 o'clock p.m.

By Order of the Board.
A. C. ASHFORTH,
General Manager.
Toronto, 18th October, 1949.

East Wants Cheaper Barley, West Looks to U. S. Price

(Special Correspondence)

WINNIPEG—The grain trade here is deeply interested in reports of eastern discontent with current high prices for barley. This is to culminate in a protest meeting called by eastern farm organizations on Nov. 16 in Toronto with assistance of the Canadian Federation of Agriculture. It is understood representation from western farm organizations and also from the Canadian Wheat Board will be requested.

The grievance stems from the stimulation of barley prices due to heavy demand from the United States for malting barley. This has recently put top grades to $1.65 per bushel with No. 1 feed running about $1.45. At such levels, easterners claim barley is out of line with its value for feeding hogs. As a result, they have been turning to corn imported from the United States, which even after duty is cheaper feed in some areas than western barley.

The catch, however, is that free freight, at government expense, is provided on feed grain from western Canada while corn from United States bears full freight charges. This can be overcome in Ontario, but Maritimers claim it puts corn out of their reach. In addition, while corn puts fat and lard on hogs, it is not suitable for producing bacon of the type valued in Canada and Britain.

Trouble was seen when early this year the movement to put oats and barley under exclusive control of the Canadian Wheat Board achieved success, backed by the Canadian Federation of Agriculture and by eastern farm organizations.

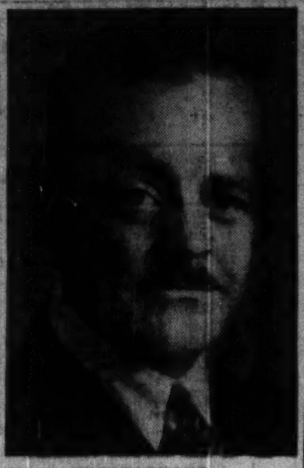
Farmers in eastern Canada appeared to believe that under government control of marketing they would be able to buy coarse grains at stabilized prices which would no longer be subject to open market fluctuations. They have been disillusioned by the fact that the Winnipeg market has continued to function and has been subject to influences for price advances.

Reports from the east indicate that the Wheat Board is under severe criticism for making use of the futures market instead of trying to suppress it. Before the Wheat Board took over, western interests sought assurance from Ottawa that it would always pursue a selling policy of getting the best available price in the interests of producers. There was fear of political pressure on the government from eastern buyers to keep prices down. The Dominion Government declined to give any such assurance so far as permanent policy is concerned, but the Minister of Trade and Commerce recently stated that current policy is along these lines.

Conflict Begins

The expected conflict of interest as between east and west has now arisen and point of interest is whether or not easteners will now attempt to influence the government and the Canadian Wheat Board.

Some months ago it seemed as if eastern buying was slow to develop, and there was some expectation that once the Wheat Board began to accumulate stocks of new crop grain, prices would be both lower and more uniform. But it is now seen that barley could have been bought more advantageously some time ago before the full strength of the American demand developed. That has been largely due to disappointing returns from American barley, much lower than average in contrast with the high yields from most other grains.



J. G. HUNGERFORD

has been appointed general manager of National Trust Co. He joined the company in 1929, and in 1948 was made an assistant general manager. A native of London, Ont., he is a graduate of University of Western Ontario and Osgoode Hall Law School.

B.C. Telephone Continues Expansion, Improvements

MONTREAL (Staff)—The expansion and improvement program of the British Columbia Telephone Co. and associated companies is well under way despite continued supply uncertainties, the company states. In the first eight months of 1948 the company gained 10,187 telephones, an increase of 4.89% over the 208,437 telephones in service on Jan. 1, 1949.

Here are some of the highlights of its expansion and improvement program:

Biggest automatic project this year has been the installation of over $350,000 worth of dial equipment in the Victoria office.

A new 150-line office was put into service at Qualicum to replace other equipment, and automatic equipment added at Deep Cove, Hammond and Powell River.

Installation of additional automatic facilities at Chilliwack is under way in preparation for cutover on Nov. 5.

Plans were recently announced to convert at an estimated cost of $650,000, the Richmond and Steveston manual telephone systems to automatic exchanges by the end of 1951 and to convert, at a cost of about $150,000, the Ladner office to the automatic system within the next few years. The Richmond-Steveston plans call for the construction of new buildings to house the automatic facilities in each case, with the new Richmond office to be located on Lulu Island, the company states.

In addition to these conversion plans, manual equipment has been installed as follows:

(1) A fifth position has been completed at Abbotsford office to improve service, both local and long distance.

(2) A fifth position was installed at Mission and this involved the rearrangement of every line on its switchboard. New equipment was added to improve the signalling that notifies operators when calls are terminated.

(3) A fourth position was installed in the Rossland office which will be used exclusively for long distance service, relieving the three other positions of this traffic.

(4) Haney has had an increase in switchboard equipment to bring it to five positions and the traffic load has been redistributed for speedier handling of calls.

(5) Thirty additional positions have been installed in the Hastings office at a cost of about $320,000.

(6) Installation of four sections of new long-distance switchboard in Vancouver toll headquarters at a cost of $75,000 is nearing completion.

In its building program the company reports as follows:

(a) Work on the new $260,000 Emerald automatic office beside the Fairmont manual office is well under way.

(b) Construction is under way on new buildings at Castlegar, Hope and Osoyoos, all designed to house automatic equipment.

(c) Work has started on a $50,000 addition to the New Westminster central office to house additional switchboard and other equipment valued at about $195,000.

(d) Work has started on a $24,000 addition to the West Vancouver office—one phase of a development program which will cost about $111,000 for improvements in that area. The building extension will permit the eventual installation of $31,000 of central office equipment.

Outside construction projects now in process include:

(a) Stringing wire and placing poles for long-distance service along the PGE Railway at a total cost of more than $140,000.

(b) In the Fraser Valley, construction crews have completed an installation of equipment providing eight additional long-distance circuits affecting Vancouver and four Fraser Valley points.

(c) A second Vancouver-Trail long-distance circuit was recently installed and a third Vancouver-Nelson circuit put into service.

(d) Poles are being placed in Duncan, Cobble Hill, Steveston, West Vancouver, North Vancouver, Agassiz, Keating, Port Alberni and Vancouver.

(e) Conduits for cable are being placed in the Fairmont and Fraser districts, Vancouver, and cable is being placed in Vancouver, Trail, Ladner, Hope, Steveston, New Westminster, Deep Cove, Lake Cowichan, Nanaimo and Victoria.

Power Use Rises 26% In Manitoba

Manitoba Power Commission purchased and generated 16,253,206 kwh during September, 26.88% over the 12,809,900 kwh distributed during the same period last year.

This substantial increase is due to a general increase in use of power throughout the province, as well as to the connection of new farm lines in many areas, according to General Manager W. D. Fallis.

New Hydro construction has been completed in areas in the rural municipalities of Dauphin, Lorne, Victoria and Rockwood.

The program of system improvements continued to proceed satisfactorily during September. Included was start of a new 115,000-volt supply line from Parkdale terminal station to Neepawa, a 66,000-volt tie line from Neepawa to Carberry, a new 33,000-volt line from Niverville to Steinbach, rebuilding of line between Letellier and Altona, and conversion of the Dauphin to Sifton line from 8,000-volt to 33,000-volt operation. A 33,000-volt line from Stony Mountain to Teulon was energized during September to provide an alternative supply route to the Winnipeg Beach system.

To improve Hydro service at Virden, Sifton, and Valley River, two new substations were put into service in September and changes were made to the town and distribution systems.

DIVIDEND NOTICES

Industrial Acceptance Corporation Limited
DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending December 31st, 1949:

5% Preferred Stock

One dollar and twenty-five cents ($1.25) per share on the $100.00 Par Value 5% Preferred Shares (being at the rate of $5.00 per share per annum).

4¼% Preferred Stock

One dollar and six and one-quarter cents ($1.06¼) per share on the $100.00 Par Value 4¼% Preferred Shares (being at the rate of $4.25 per share per annum).

5% Convertible Preferred Stock

Thirty-one and one-quarter cents (31¼c) per share on the $25.00 Par Value 5% Convertible Preferred Shares (being at the rate of $1.25 per share per annum).

Common Stock

Fifty cents (50c) per share on the No Par Value Common Shares,

payable in each case on December 31st, 1949, to Shareholders of record at the close of business on 1st December, 1949.

By Order of the Board,
L. E. CUTHBERTSON,
Secretary-Treasurer.
Montreal, P.Q.,
November 7, 1949.

Largest Grain Carrier Completes Maiden Trip

Largest Largest grain carrier afloat on the Great Lakes, the $3 million Hochelaga, owned by Canada Steamship Lines, completed its maiden voyage this week on arrival at Port Colborne, Ont. The vessel carried 521,000 bus. of wheat from Fort William for Maple Leaf Milling Co., which operates the largest flour mill in the British Empire at Port Colborne.

Capacity of the Hochelaga, launched at Collingwood in August, is over 600,000 bu. of wheat. Due to water levels, the vessel on its initial trip carried below capacity cargo.

ROBINSON, LITTLE & COMPANY, LIMITED
WINNIPEG, MANITOBA

Class "A" Shares—Dividend No. 12

NOTICE IS HEREBY GIVEN that a dividend of Twenty-five cents (25c) per share on the Class "A" shares of the Company has been declared payable on the First day of December, 1949, to holders of record at the close of business on the 15th day of November, 1949.

By Order of the Board.
HERBERT J. SADLER,
Secretary.
Dated at Winnipeg, Manitoba,
November 7th, 1949.

New Gas Rates For Albertans Under Study

Firm Would Divide Consumers as Three Groups, Set New Charges

From Our Own Correspondent

CALGARY—Canadian Western Natural Gas Co. Ltd. proposed a new rate schedule before the Board of Public Utility Commissioners here recently.

The Board previously decided that the gas company was entitled to revenues required for all purposes including interest at 7½% on capital investment amounting to $4,674,444 in 1949 and $4,912,503 in 1950.

The company's proposed rate schedule divides consumers into three groups instead of six as follows:

General Rate No. 1 for domestic users and small commercial users; first 2,000 cubic feet $1.50; all additional 1,000 cubic feet 0.26 cents per thousand with minimum charge of $1.50 per month.

Commercial and industrial rate No. 2 falls on annual consumption of 8,165 to 34,000 cubic feet; fixed charge of $35 per month, consumption charge of 0.21 cents per thousand cubic feet or as an alternative for consumption over 34,000 cubic feet a fixed charge of $120 per month with consumption charge of 0.18 cents per thousand cubic feet.

Rate No. 3, fixed charge of $20 a month plus $1 per thousand cubic feet of maximum 12-hour demand; consumption charge first 2,000 cubic feet 0.18 cents per thousand cubic feet; 0.15 next 150,000 and all additional 0.124 per thousand.

United Grain Profit Rises

By Special Correspondence

WINNIPEG — Financial statement of United Grain Growers Ltd. for the fiscal year ended July 31, presented to the annual meeting here this week, showed profit for the year of $518,710, after charging $360,000 for patronage dividend to be allocated on grain deliveries of the year.

Earned surplus for the year showed $766,207 carried forward as at July 31, 1948. Added thereto were profit for the year, as above, profit on disposal of properties, $128,809, and adjustment in respect of provisions for taxes on income of prior years — $325,000.

From this total there was provided dividend of 5% declared on Class "A" shares payable Sept. 1, 1949 totaling $186,825, and provision for dividend on Class "B" shares totaling $13,595. Transfer was made of $352,943 to bring general reserve to a total of $2,000,000. Earned surplus account was carried forward in the amount of $1,185,363.

The president's report showed record grain handlings for the year, reflecting satisfactory results from expansion in the country elevator system late in the previous year.

Purchase at that time of 110 elevators from the Reliance Grain Co. and five from the Anderson Grain Co. had brought country elevators up to the present number of 625. Terminal elevators at Port Arthur and Vancouver have capacities of 5,500,000 bushels and 2,600,000 bushels respectively.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 4 p.m., Nov 7, subject to confirmation and change:

	Bid	Ask		Bid	Ask
Abenakis	3	5	Metalore	4	5
Advance	3½	4	Miles R L	3½	5
Alexander	2	4	Mindus	18½	18
Aljo	1½	2½	Mink	3	5
Ama Kir	6	8	Mistassini	2	4
Anna'que	4	8	Moffat H	1	2
Arctic	7	9	Mohawk P	2	3
Argonaut	1	2	Morris K	2	4
Audley	1	2	Murbell	1	2
Auterra	1	2	Murmac	8	10
Baker	1	2	McManus	5	7
Barb L N	3	5	McCuaig	5	8
Beaulieu	2½	3½	Nat Mal	64	66
Beauriv	3	5	do new	9	11
Bi Ore	28	32	Nayb '45	2	4
Blondor	2½	3½	Newcore	8	11
Bouzan	8	9	New Aug	13	16
Bour C	3	4	New Mal	3	5
Bradnor	1	2	Nickel L	4½	6
Birocco	16	18	Nisto	19	21
Br Breest	1	3	N.Offsets	150	200
Braminco	17	21	Norbeau	110	120
Bravo	1½	3	Norbec	15	17
Bright R L	1½	2½	Norcourt	3½	4½
B McDade	7	9	Norford	2	3
Bulldog	10	18	Normar	3	5
Burley Po	1½	3	Nortyne	½	1½
Camlaren	4	6	Novele P	2	4
Camray	7	8	Obalski old	4	..
Captain	3	4	do '45	18	20
Carricona	2½	4	Obaska	7	9
Cassidy	1½	2½	Opemiska	15	18
Cent M	6	7	Okland	3	5
Cook R L	1	3	Olivet	3	5
Columbier	1½	3½	Ortona	4½	5½
Con Chib	22	24	Pascalis	16	19
Con Cop	11½	12½	Pelangio	4	6
Courageo	1½	3	Payne	3½	5
Craibbe	5	7	Phelps	1½	3
Croydon	2	4	Pinnacle	1	2
Cuyuni N	30	35	Poona Go	½	1½
Delhi	3	7	Presdor	2½	3½
Derlac	2	3	Privateer	18	21
De Sant	4	6	Pro Divers	11	14
Dickenson	17	20	Quejo	5	6
do new	68	70	Quest	2	4
Dom Mal	1	2	Rand Mal	14	16
Dona Pat	1	2	Rajah R L	1	3
Doris	2	4	Raymond	1½	2½
Durham	9	12	Randona	2½	3
Echo Ind	3½	6	Redruth	5	6
Elmac	3	5	Redwood	5½	6½
Erin Kirk	2	3	Rhyolite	2	3
Flicka	2	3	Richgroup	6	8
Forty Four	97	105	Russet	5	6
Gan Cop	2	4	Salmita	3	4
Geneva L	4	6	Santiago	10	12
Gilbec	½	1½	Sepha	3	4
Goldpac	..	15	Sheldon	11	13
Goodrock	1	2	S Dufault	3	6
Gord Lebel	½	1½	Silv Arro	3	4
Goy Gold	2	4	Sovereign	4	5
Grnd Chib	25	30	Skynner	1	2½
Greenlee	5	6	Starlight	2	3
Grndhog	14	..	Sun Bear	3½	4½
Halden	4	5	Thornhill	1½	2½
Habitant	1½	3	Tiffany	1½	3
Harp Mal	1	2	Tobico	4	5
Hornfault	10	12	Tovarich	1	2
Hayes Cd	½	2	Viking	13	15
Hugh Pam	18	20	Val d'Bel	1	1½
Independ	4	5	Vinray	2½	3½
Islepines	..	10	Walcoro	2	3
Joannes D	1	2	Wesley	1½	3
Kamlac	17	19	West R L	1½	2½
Ken Bay	3½	5	Wilwood	1	3
Kenda Pe	4	7	Y Davids	20	23
Kenroy	1	2	Yelknife	190	..
Kingdon	..	20	do vt	135	..
L Expanse	8	10	Zolota	16	18
Lar Add	3	5	OILS		
La Salle	4½	5½	Franco	84	86
Lavalie	3	4	Granleduc	22	27
Legardo	1½	2	Home O	13½	13½
Lennie	1½	3	Jupiter	23	25
Le Pine	3	5	Lingnora	6	8
Louvore	½	1½	Major Oil	6	7
Mallen R L	5	6	New Ranch	3	5
Marbenor	8	10	Pac Oil Re	3	5
Marquette	1½	1½	Princess	37	38
Mar Bird	3	4	Universal	1½	2½
Mary Ann	4½	5½	Vermilion	35	40
Mat Con	37	42	Westlock	6½	8
Mats Yel	3	5			

Company Meetings

1949	Company	Place
Nov. 11	Base Metals M.	Toronto
Nov. 14	Consumers Gas	Toronto
Nov. 14	Howey G. M.	Toronto
Nov. 14	Purity Flour	Toronto
Nov. 15	Dist.-Seag. Corp.	Montreal
Nov. 15	McLellan G. M.	Toronto
Nov. 15	Traders Bldg.	Winnipeg
Nov. 22	Imp. Bank	Toronto
Dec. 1	Ogilvie Flour	Montreal
Dec. 5	Bk. of Montreal	Montreal
Dec. 7	Bk. of Nova Scotia	Halifax
Dec. 8	Walk.-Good.	Walkerville, Ont.
Dec. 13	Candn. Bk. of Comm.	Toronto
Dec. 14	Dom. Bank	Toronto

Grain Prices

Chicago Futures

Week to Nov. 7, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Nov. 7
		Wheat—			
2.16½	1.81	Dec. ...	2.13½	2.09½	2.10½
2.16½	1.86	Mar. ...	2.15	2.12½	2.12½
2.11½	1.79½	May ...	2.11½	2.09½	2.09½
1.97½	1.84	July ...	1.97½	1.93½	1.93½
		Corn—			
1.38½	1.00½	Dec. ...	1.20	1.16½	1.18½
1.23½	1.13½	Mar. ...	1.23½	1.19½	1.21½
1.24½	1.15½	May ...	1.24½	1.20½	1.22½
1.24½	1.19	July ...	1.24½	1.20½	1.22½
		Oats—			
.74	.54½	Dec. ...	.74	.72½	.73½
.71½	.62½	Mar. ...	.71½	.69½	.71½
.68½	.59½	May ...	.68½	.66½	.67½
.63½	.56½	July ...	.63½	.61½	.62½
		Rye—			
1.63	1.35	Dec. ...	1.44½	1.35	1.35½
1.59½	1.42	May ...	1.51	1.42	1.42½
1.51½	1.39	July ...	1.50½	1.42½	1.43
		Soybeans—			
		Nov. ...	2.37	2.21	2.21½
		Dec. ...	2.28	2.22½	2.23
		Mar. ...	2.28½	2.24	2.24½
		May ...	2.27½	2.23	2.23
		July ...	2.24½	2.20½	2.20½

Chicago Cash

	For Week Nov. 7 High	Low	Prev. Week High	Low
Corn—				
2 Yel. ...	1.16½	1.13	1.18½	1.11
Oats—				
1 H. Wh. ...	.77	.75½	.78½	.74½

Winnipeg Futures

Week to Nov. 7, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Nov. 7
		Oats—			
.81½	.69½	Dec. ...	.81½	.79½	.81
.81½	.69½	May ...	.81½	.79½	.80½
.79½	.78½	July ...	.79½	.78½	.78½
		Barley—			
1.48½	1.10½	Dec. ...	1.48½	1.43	1.46½
1.45½	1.09½	May ...	1.45½	1.40	1.43½
1.41½	1.38½	July ...	1.41½	1.38½	1.38½
		Rye—			
1.58½	1.30	Dec. ...	1.54½	1.46½	1.46½
1.61½	1.32½	May ...	1.58	1.51	1.51½
1.57½	1.49	July ...	1.57½	1.49	1.49½
		Flax—			
3.79½	3.30	Dec. ...	3.79½	3.79	3.79
3.72	2.82	May ...	3.72	3.60	3.72

Winnipeg Cash

	For Week Nov. 7 High	Low	Prev. Week High	Low
Oats—				
2 C. W. ...	.82½	.80½	.82½	.79½
3 C. W. ...	.81½	.79	.80½	.78½
Barley—				
1 Feed ...	1.48	1.42	1.42½	1.41½
2 Feed ...	1.45½	1.39½	1.42½	1.39
1 Malt ...	1.66½	1.60½	1.60½	1.59½
Rye—				
2 C. W. ...	1.52½	1.46½	1.53½	1.49½
Flax—				
1 C. W. ...	3.79½	3.79½	3.79½	3.79

27 Million Fish in One Catch Located With Electric Device

From Our Own Correspondent

VANCOUVER—One of the biggest herring bonanzas in the history of the province was reeled in last week when a seiner caught a record 1,156 tons of the silvery little fish in a single catch.

The big seiner, "Western Ranger," owned by Nelson Brothers here, hit the school under guidance of its automatic depth sounder, in the fishing grounds in the Gulf of Georgia.

By the time the huge purse seine nets were drawn in an estimated 27 million fish— enough to give everybody in Canada a fish breakfast—were bottled up.

It took two vessels to load the catch for the trip to Vancouver.

Practically all fishing vessels on the B.C. coast now use these depth-sounders for fishing. The electric device records the depth of the bottom, and incidentally anything that comes between the ocean floor and the ship.

Thus, if the vessel is passing over a school of herring this is indicated on the continuous paper roll by a "blimp." Fishermen become experts at reading the stylus markings and can tell whether herring, salmon, or any other type of fish are below them.

JAMES RICHARDSON & SONS LIMITED
Grain Merchants Shippers and Exporters
HEAD OFFICE WINNIPEG MANITOBA
OFFICES THROUGHOUT CANADA

Western Grain Co. Ltd.
WINNIPEG — CANADA
COUNTRY ELEVATORS — MAN., SASK. & ALTA.
TERMINAL ELEVATOR — FT. WILLIAM, ONT.
GRINDING PLANTS and FEED MILLS
GRAIN SHIPPERS - EXPORTERS - GRAIN FUTURES

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—Fort William, Ont., Montreal, Que. — Vancouver, B.C.

FEDERAL GRAIN LIMITED
AND
THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.
WINNIPEG - CALGARY
Country Elevators located in all Prairie Provinces, and Terminals at Fort William, Port Arthur and Vancouver.
Cereal and Forage Seed Plant at Winnipeg.
We invite your inquiries regarding feed and seed grain.

N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.
609 Grain Exchange, Winnipeg

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

Toronto Elevators
LIMITED
TORONTO
GRAIN MERCHANTS - MANUFACTURERS OF MASTER FEEDS
PROCESSORS OF SOY BEAN AND LINSEED OIL AND MEAL
MONTREAL SARNIA WINNIPEG

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING NOVEMBER 4

Range 1949 High	Low	Div. R'te $	Nov. 4 Y'ld %	Company	Sales	Last Oct. 28	Week end. Nov. 4 H	L	Cl'se
21½	9½	▪1.00+†.50		Abitibi	10015	20½	21½	20	21½
21	16	1.50	7.1	Do. $1.50 pf.	19060	20½	21	19½	21
25	19½	1.00+▪1.15		Acadia At. A	1235	23½	24½	23½	24½
104	95½	5.00	4.8	Do. 5% pref.	66	103	104	103½	104
13	7	▪.50		Acme Glove	200	8	8	8	8
9½	7½	.60	7.0	Agnew Surp.	470	9	9	8½	8½
13½	13			Algoma Steel	4100	13½	13½	13	13½
26½	25	1.00	3.8	Alum. of Can P	1125	26½	26½	26	26½
61½	40½	▪2.60		Aluminum, n.	2905	53½	56½	53½	56½
9	6½			Amal. Electric	75	8	8	8	8
7½	4½	▪.20		Andian Nat.	160	5	4½	4½	4½
[illegible]									

Range 1949 High	Low	Div. R'te $	Nov. 4 Y'ld %	Company	Sales	Last Oct. 28	Week end. Nov. 4 H	L	Cl'se
2.75	1.55			Gen. Bakeries	800	2.50	2.50	2.50	2.50
25	16½	1.00	4.0	Gen. Prod. A	25	23½	25	25	25
17½	13	.80+▪.20		Gen. St. Wares	1322	16½	16½	15½	15½
104	99½	5.00	4.8	Do. pref.	20	103	104	104	104
103	80	▪3.00		Goodyear Tires	80	89½	87	86½	86½
53½	50½	2.00	3.8	Do. pref.	535	52½	52½	52	52½
10½	8½	.50	5.0	Gor MacKay A	260	10	10½	10	10
16	9½	▪.90		Gt. Lakes Pap.	2745	12½	13½	12½	13½
40	34	2.50	6.7	Do. A pref.	210	38	37½	37	37½
25½	15½	▪1.25		Gt. West Coal	205	23	23½	23	23
7	6	▪.60		Gt. West Felt	100	6	6½	6	6
13	8			Gt. W Saddlery	50	10½	10½	10½	10½
[illegible]									

Range 1949 High	Low	Div. R'te $	Nov. 4 Y'ld %	Company	Sales	Last Oct. 28	Week end. Nov. 4 H	L	Cl'se
7½	3½	.60	8.1	United Steel	5475	7½	7½	7½	7½
11	10½	.60	5.5	Viceroy	34	10½	11	11	11
21	17	1.25	6.6	Vir Dare 5% p	100	19	19	19	19
16½	13½	1.00	6.7	Wabasso Cot.	60	15½	15	15	15
35	23½	▪2.10		Walker-Good.	9744	33½	35	33	34½
51	35½	2.00+▪1.75		Westeel	335	49	51	49½	51
26	21	1.80+▪.25		West Brew	80	25½	26	25½	26
28½	22			West Grocers	15	25½	26½	25½	26½
35	29	2.00	5.8	Do. (A)	30	33	34½	34½	34½
32½	29	1.40	4.4	Do. pref.	160	30½	31½	31	31½
172	170	7.00	4.1	West Koot. pf.	108	170	172	172	172
9.00	8.50	.50		Westmin'r P A	25	8.75	8.75	8.75	8.75
[illegible]									

Mining Stocks

Week Ended November 4

[illegible]

So. Brazeau 9,000 .12 .11 .10½ .10½ — So. West Pete 700 .35 .35 .35 .35 — Spooner 50 .20 .18 .18 .18 — Sunset 5,350 .16½ .17 .16 .16½ — Superior 45,913 .43 .43 .39 .42½ — Tower Pet. 38,000 .41 .47 .40 .46 — Turner V. 2,400 .12 .15 .13 .15 — United Oils 51,525 .09 .13½ .09 .13 — Vanalta 2,200 .21 .22 .21½ .22 — Warner 1,000 .06½ .06 .06 .06 — York Oils 8,000 .11 .10 .09½ .09½

Oil Stocks

* N. Y. funds. x Extra. § Paid in 1948. ▪ Paid or payable in 1949. ‡ Capital Distribution. † Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Nov. 7	250,500	1,191,000	353,865	215,404	1,480,000
Nov. 5	126,400	546,000	63,230	58,411	610,000
Nov. 4	243,700	1,080,000	185,407	112,905	1,780,000
Nov. 3	211,300	765,000	128,690	65,556	1,720,000
Nov. 2	201,800	1,214,000	124,362	62,628	1,930,000
Nov. 1	243,800	1,100,000	115,375	60,123	1,680,000

BUSINESS BAROMETER

	OCT.	SEPT.	AUG.	JULY	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	189.4	147.1	153.8	174.9
Dom. total rev.	....	174.0	187.8	204.8	199.8
MERCHANDISING					
▪Dept. store sales (3)	+5	+8	+8	+3.7	....
Country store sales (3)	....	....	+7.5	—3.2	....
Retail store sales (3)	....	....	+7.5	+5.4	....
Wholesale sales index (1)	....	....	316.9	294.9	296.7
FINANCE					
Dividend payment index (1) (5)	213.2	213.2	212.7	213.5	204.3
Money supply (millions $)	....	....	4,188	4,173	4,046
NEWSPRINT CAPACITY					
Production ratio (7)	....	100.4	99.7	101.2	103.9
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	164.7	223.4	193.6	178.2
Cars (D.B.S.) (1)	....	144.5	158.4	151.7	150.5
COST OF LIVING					
▪D.B.S. (1)	162.2	162.3	162.8	162.1	159.6
EMPLOYMENT INDEX					
All industries (6)	....	201.0	199.7	198.9	201.8
Payrolls (June 1/41=100) (2)	....	....	217.3	216.6	206.7
MANUFACTURING					
Inventories (1947=100)	....	....	129.5	132.4	126.5
Employment (6)	....	208.8	206.4	207.4	209.5

	1949	1948	1949 Jan. 1 to date	1948 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Oct. 29)	87.9	91.6	3,240.0	3,352.8	—3.4
C.N.R. gross rev. (Sept.)	44,742	43,843	365,544	354,548	+3.1
C.N.R. net rev. (Sept.	3,993	4,773	6,388	7,826	—18.4
C.P.R. gross rev. (Sept.)	32,354	33,999	267,716	255,587	+4.7
C.P.R. net rev. (Sept.)	2,216	2,301	8,503	5,815	+46.3
IRON AND STEEL PRODUCTION (000's omitted) (Sept.)					
▪Pig iron production (tons	168	183	1,659	1,593	+4.1
▪Steel production (tons)	241	258	2,404	2,361	+1.8
CONSTRUCTION (000's omitted)					
Contracts awarded (Sept.)	103,318	79,729	812,080	744,237	+9.1
Cement prod., bbls. (Aug.)	1,482	1,349	10,533	9,060	+16.3
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Sept.)	1,857	2,192	14,479	16,747	—13.5
Flour exp., bbls. (Sept.)	868	813	7,379	8,941	—17.5
Wheat exp., bush. (Sept.)	14,389	8,285	150,623	90,196	+67.0
Cattle sales (Sept.) (4)	228.4	265.5	1,225.9	1,275.0	—3.9
Hog sales (Sept.)	345.4	290.5	2,866.7	3,595.9	—20.3
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Aug.)	147.6	137.4	744.2	823.4	—9.6
Landed value (Aug.)	9.7	9.3	36.8	40.5	—9.1
NEWSPRINT (000's omitted)					
Production (Sept.) (7)	415	409	3,889	3,695	+5.2
Exports tons (Sept.) (7)	410	406	3,587	3,439	+4.3
MINING AND OILS (000 omitted)					
Coal prod. (tons) (Sept.)	1,704	1,578	13,134	12,906	+1.8
Gold prod. (fine oz.) (Aug.)	359	305	2,648	2,289	+15.7
Petroleum prod. (bbl.) (July)	1,775	1,178	11,588	6,304	+83.8
ELECTRICAL POWER OUTPUT (000,000 omitted) (Aug.)					
Total monthly kwh	3,798	3,687	30,991	29,868	+3.8
FOREIGN TRADE (millions of $)					
Imports (Aug.)	212.1	206.5	1,852.4	1,701.7	+8.9
Exports (Sept.)	228.4	283.0	2,146.0	2,158.1	—0.6
FINANCE (millions of $)					
Bank debits (Sept.)	7,652	6,710	62,287	57,212	+8.9
Bond sales (Sept.)	871.3	861.7	3,337.6	3,603.8	—7.4
Life insurance sales (Aug.)	89.6	84.0	826.0	788.5	+4.8
OTHER INDUSTRIAL FACTORS					
Shoe prod. (Aug.) (000)	3,176	2,639	24,167	20,898	+15.6
Cigarette cons. (000,000 (Sept.)	1,631	1,481	17,885	16,420	+8.9

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, etc.
(6) Base period 1926=100.
(7) Includes Newfoundland.
▪New item for week.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 116
*1935 to date												
High	247.7	287.9	149.7	123.7	221.0	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.6	85.3	63.8	196.0	111.8	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	108.2
Sept.	213.1	240.1	93.0	68.9	204.8	116.0	312.5	143.0	112.8	135.2	122.7	109.6
1949: Weekly Figures:												
Oct. 6	219.7	252.9	94.3	71.7	198.8	120.2	322.2	149.3	109.0	138.5	120.9	112.4
Oct. 13	217.8	259.5	95.6	75.4	207.2	120.8	331.2	150.2	112.0	138.7	122.6	114.3
Oct. 20	223.0	260.6	96.6	76.1	209.3	122.6	330.4	151.4	112.1	140.7	121.5	114.4
Oct. 27	225.0	262.8	96.6	78.4	210.3	124.5	334.5	154.8	113.5	141.4	122.6	116.0
Nov. 3	228.9	269.9	95.7	78.3	210.8	121.3	334.6	157.6	114.0	141.8	121.4	116.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Nov. 7	199.50	110.66	114.46	62.37
Nov. 5	198.37	110.54	114.13	60.80
Nov. 4	198.23	110.72	113.54	60.14
Nov. 3	198.05	110.59	112.39	59.00
Nov. 2	197.93	110.52	112.37	59.46
Nov. 1	196.30	109.46	112.25	58.42
Month ago	185.92	103.27	103.06	53.44
Year ago	186.04	85.38	111.22	50.24
1949 High	199.50	114.63	114.46	62.61
1949 Low	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Nov. 7	75.5	134.0	114.5	350.51	72.56
Nov. 5	75.5	133.2	114.0	351.85	72.70
Nov. 4	75.2	132.7	113.5	352.47	72.58
Nov. 3	75.1	132.8	113.6	353.56	72.25
Nov. 2	75.7	132.8	113.8	351.00	71.95
Nov. 1	74.8	132.3	113.1	344.85	71.33
Month ago	73.4	127.1	109.2	322.57	66.71
Year ago	74.9	133.5	113.9	349.54	64.06
1949 High	75.7	134.0	114.5	353.56	74.40
1949 Low	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Nov. 7	190.89	49.24	39.16	68.08
Nov. 5	191.37	49.50	39.35	68.30
Nov. 4	191.29	49.55	39.30	68.28
Nov. 3	192.19	49.17	39.08	68.27
Nov. 2	192.96	48.85	39.04	68.32
Nov. 1	191.23	48.16	38.75	67.65
Month ago	185.15	48.75	37.93	66.30
Year ago	178.19	56.56	33.78	65.85
1949 High	192.96	54.29	39.35	68.32
1949 Low	161.60	41.03	33.36	57.75

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Nov. 4 Bid	Ask
Flash Fast	..	2½	2	2
Do. pref.	1.00	15	13	15
Fleury Bissell	..	3.00	1.00	4.50
Do. pref.	▪	16	..	15
Ford Motor B	‡1.00	25½	25	26½
For. Pr. Secs.	..	.20	.10	.15
Freiman pref.	4.50	90	90	..
Gen. Products B	1.00	17½	22½	..
Do. pref.	5.00	100½	..	..
Gord. Belyea	2.50	57	54½	..
Gord. Mackay B	1.00	19½	18	20
Gould Pumps	1.00	65½	..	..
Grafton & Co. A	1.00	18½	19½	20
Grand & Toy	.80	16	16	..
[illegible]				

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Nov. 4 Bid	Ask
Do. pref.	5.00	80	..	85
Hillcrest Coll.	..	.10	..	.25
Hinde & Dauch	1.00	17	17	17½
Holden Mfg. A	.80	8	8	12½
Do. B	▪.20	4½	4½	5
Holt Renfrew	..	25	..	..
Ho. De LaSalle	..	14	14	..
Hubbard Felt	▪.25	4	3	5
Do. A pref.	1.50	15	14	18
Hunts B	▪.20	8	7½	8
Huron & E. Mt. 20% pref.	5%	21	21	22
Imp. Varnish 1.00+▪.10		16½	16	16½
Do. pref.	1.50	31½	30½	..
Ingersoll M. & T.	.50	7½	7½	7½
Inter'c. Coal	▪3.00	30	27½	30
Do. pref.	8.00	103	115	121
Int. Coal & Cok.	.01½	.25	.25	.29
Int. Mill. pref.	▪4.00	99	99½	105
Int. Nickel $5 pref.	..	7½	..	..
Int. Paints pref.	1.20	22	22	..
Invest. Found. pf.	3.00	50½	50	53½
Jam. Pub. Ser. pf.	7.00	105	..	110
Journal Pub. Ot.	.80	13½	..	15½
Langleys	..	1.25	1.40	1.80
Do. pref.	▪1.00	50	52	53
Lawson & Jones B	..	10½	10½	..
Levy Bros.	‡.10	4½	5	..
Lindsay, C. W.	..	15	10	..
Do. pref.	▪*4.00	115	112	..
Loew's Theatres	4.00	70	70	..
London Can. Inv.	*5.00	70	67	..
Mackin Steel pref.	5.00	90	90	..
Man. Sugar pref.	6.00	101	100	..
M. L. Gardens	.50	10	16	17½
Maritime Tele. pf.	.80	18½	18½	19
Do. pref.	.70	18½	18½	..
McBrine	1.00	17½	17½	18
McCabe Grain A	.60	18½	9½	10
Do. B	.40	7	7	10
Melchers	..	5	1.25	5
Do. pref.	.60	11	11	11½
Mexican Lt. pref.	..	5	..	..
Mitchell, J. S. 4.00+▪.25		100	100	..
Mod. Contain. A	1.00	16	16	16½
Mon. Knit. 4½% pf.	4.50	91	85	100
Mon. Life 40% pd.	..	132½	132½	..
Mont. Refrig. & S. 1st pref.	1.50	29½	..	..
Mont. Telegraph	*▪2.00	50½	34	37
Moore Corp. pf. B	▴7.00	430	432	..
Morrison Brass	..	3	2½	3½
Murphy Paint	.80	22	21	..
Neon Pr. of W. C.	.80	13½	..	..
Nor. Can. Mtge.	▪1.50	17.00	16.50	17.75
Nor. Trusts	▪.80	34	..	..
N.S.L. & Pr. pref.	6.00	110½	108½	112
OBSCO	‡.10	.50	.25	.75
Do. pref.	1.00	9	8½	11
Ont. Steel pref.	7.00	130	..	..
Paton Mfg.	.80	19	19	..
Penmans	3.00	55½	56	65
People's Cr. Sec.	.25	5	4½	5
Quebec Telephone	.40	8½	8½	..
Quinte Milk B	▪.15	3.00	3.00	..
R. & M. Bear. A	1.10	20	..	18
Regent Knit.	.50	22½	..	..
Do. pref.	1.60	25	..	24
Reitman's 5% pf.	1.00	16½	16½	18½
Reliance Grain	▪10.00	25	20	35
Renfrew Textile	.60	6	6	6½
Renold-Cov. A 1.10+.20▴▴		20	..	20
Rivers Mill B	▪1.00	13½	..	12½
Roberts'n P.L. 2.00+▪.30		42	45	46
Do. pref.	2.50	47½	43½	..
Robinson Cot. .40+▪.10		10	10	10½
Robinson Little	.80	10	9½	9½
Rolland Pap.	..	7	..	8
Do. pref.	4.25	67	..	70
Russell Ind. pref.	7.00	605	..	..
St. Law. Flour pf.	7.00	143½	..	145
Sangamo	▪.42½	10½	10½	..
Sarnia Br.	▪.50	6½	6½	7
Scarfe & Co. A	.80	15	15½	15½
Scythes & Co. 1.00+▪.18		14½	15	15½
Do. pref.	1.25	25½	25½	..
Shirriff's pref.	1.00	20½	20½	..
Sidney Roofing	..	14½	14½	..
Silverwoods, W. D. pref.	5.00	92	91½	92
Simons & Sons	1.20	20	18½	20
Do. pref.	5.00	99	..	100
Slater N. pref.	2.12	45	44½	48½
Sov. Life 25% pd.	1.50	48	48½	..
Stand. Chem. pref.	5.00	90	87½	91
Stand. Clay	..	16	..	..
Stanley Brock A	.60	8	8	9
Sterling Coal	..	9½	8	10
Sterling Trust	6.00	117	..	..
Stowell A pref.	1.50	17	17	..
Do. B	..	3	3½	..
Sun Publishing	▪.65	17	17	..
Sup. Pete. com.	2.50	27	50½	60
Do. pref.	1.50	62	..	..
Tamblyn pref.	2.00	52	51½	..
Theatre Props.	..	4	4	5
Tip Top Can. A	.30	9	..	10
Traders Bldg. 1.00+▪.20		18½	18	19½
Trad. Fin. A rts.	1.00	16	16	20
Do. B rights	1.00	14½	16½	..

	Div. Rate $	Last sale	Nov. 4 Bid	Ask
Un. Amuse. A	..	32½	32½	..
Un. Distill.	▪1.00	25	25	27
Viau Ltd.	1.00	28½	27½	..
Do. pref.	5.00	101	101	..
Wellington Fire	3.50	70	..	..
Waterous Ltd.	▪.70	7	6	7
Do. A	.80	10½	10½	11½
West. Grain	..	1.00	1.00	1.25
Do. pref.	..	30	22	23
W'minster Pap. B	▪.07½	2.75	2.50	2.75
Willson Stat. pref.	5.00	97½	..	..
Wilson, J. C. .80+▪.40		13	11	11½
Wood, A. & J. P.	7.00	115	115	..
Woods Mfg. pref.	2.00	25	25	30

‡Plus extras. ▪Paid or payable in 1949. *On arrears. ▴N. Y. funds. °Net after income taxes. •Dividend deferred. ♦After stock split. ‡Plus payments on arrears. ▴▴Participating div. †Payable in 1950. §Paid in 1948.

Mining Stocks

	Div.	Last sale	Bid	Ask
Alta.	...	.02	.03	.04½
Atlas Yk.	...	.11	.11	..
Band Ore.	...	.05	.05	.06
Bayonne	...	.05	.05½	.06
Beatrice	...	.04	.03½	.05
Bonville	...	.03½	.03	.04
Boycon P.	...	.03	.02½	.03½
Brazil Gold	...	.02½	.02	.02½
Bruce Cons.	...	.01	.01	.03
Bunker Hill	...	.03½	.03½	.04
Cartier Mal.	...	.01½	.01½	.01½
Celta Devel.	...	.05	.02	..
Crestaurum	...	.17½	.17½	.19½
Cuyuni	...	.35	..	.35
Cryderman	...	.01	.00½	.01½
Dickstone C.	...	.03	.02	..
Flin Flon	...	.02	.01½	.02
Fontana '45	...	.02½	.02½	.03½
Forty-Four	...	1.00	1.00	1.05
George Copper	...	.05	..	..
Golconda	...	.28	.29	.35
Gold Lake	...	.01	.01	.03
Goldhawk	...	.05	.05	.07
Grandoro	...	.14	.13	.17½
Grandview	*‡.02	.20	.20½	.22
Great Falls	...	.03	.02	.04
Hallnor	▴.21	4.10	4.00	4.25
Int. Mining	...	4.75	5.25	..
Island Lake	...	.00½	.00½	..
Island Mountain	▴.07	1.25	1.25	1.35
Jack Lake	...	.03	.02½	.03
Jack Waite	...	.13	.13	.16
Kerr Lake	*‡.05	.60	.23½	.48
Kirk. Town	...	.14	.13	.17
Kootenay B.	...	.30	.25	..
Leccourt	...	.04½	.05	.06
Lynx Yk.	...	.14½	.12	.14½
Marcus Gold	...	.12	.10½	.11
McGillivray C.	...	.08	..	.11
McMarmac	...	.10	.10	.11
McWatters	...	.09½	.09	.09½
Mentor Explor.	...	2.25	1.50	2.50
N. Louvre	...	.03	.03	.04½
Newnorth	...	.04	.03½	.04
Norgold	...	.03	.03½	.04
Normandy	...	.01	.01	.03
North. Empire	‡.07	1.60	1.55	2.25
Packsack	...	.02	.02	.03½
Pato Cons. G.	▴.15	3.20	..	3.40
Pitt G.	...	.08½	.07½	.08½
Placer Devel.	.50	14.50	14.62½	..
Proprietary	▴.63	17.00	17.00	..
Purdy Mica	...	.06½	.06½	.08½
Red Cloud	...	.01	.00½	.01
Red Hawk	...	.02	.02½	.04
Renabie	...	2.95	2.25	2.55
Reno Gold	...	.04	.04	..
Rice Lake	...	.01½	.01½	.01½
Ryanor	...	.06	.06	.09
Scotia Gold	...	.00½	.00½	.00½
Shawkey	...	.14½	.13	.17
Soma Duv.	...	.04	..	.05
S. Amer. G.	*▴.25+.05	1.10	..	..
Star Lake	...	.00½	.00½	.00½
Surf. Inlet	...	.08	.05	..
Temiskaming	...	.06	.05½	.07
Villbona	...	.04	.02½	.04
Wellington	...	.01	.01	.03

—OIL STOCKS—

	Div.	Last sale	Bid	Ask
Acme Gas & Oil	...	.05	.05	.06
Admiral	...	.04½	..	.05
Command	...	.20	.20	.
Federated P.	‡.03	.45	.65	.
Gen. Pet.	▴.02	1.42	1.12	..
McLeod	...	.04½	..	..
Nordon	...	.10	.09	..
Oil Selections	...	.03½	.03½	.04½
Petrol Oil	▴.03	.15	.13	.20
Three Point	...	.08½	.06	..
Texas Can.	▴‡1.85	.30	.25	.90
Vulcan	...	.22	.22	.30
Vul. Brown	...	.13	.12½	..
Wellington	...	.04	..	..

▴Paid or payable in 1949. §Paid in 1948. *N. Y. funds. †Payable in 1950. ‡Capital distribution.

Unlisted Mines

(Subject to Confirmation and Change)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
[illegible]											
Cock R L	1½	2½	Kit Vit	¼	1	Ortona	4	5	Win cum rts	1½	..
Columbiere	1	2	Kiwago	2	3	Orvalley	1	3	Wisik	1	3
Cons Chib	21	24	Korby	¼	1	Ossian	½	1½	W Br Tr	5.00	..
Cont Cop	7½	9	Lac d'Or	5	7	Pac Nickel	16	17	Yk Gold	1.90	..
Cont Kirk	4	6	Laddie	1	2	Palomar	4	7	Yk V.T.	1.35	..
Cortez	6	6½	Lafay L L	1	2	Papoose Yk	1	2	Y David	19	21
Cour Gold	1½	3	Lk Expanse	7	9	Parent L	½	5	Yg Shannon	2	3
Craibbe	5	7	Lk Geneva	4	6	Parterre	½	5	Yu Ranges	16	18
Creole S L	½	1½	Lk Rose	2	..	Pascalis	16	19	Zolata	16	18
Croydon	2	4	Lk Rowan o	2	..	Paulore	½	1			

Government Bonds

Nov. 8, 1949 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ..	♦101⅞	102½
3	Mar. 1954 ..	♦103½	103⅞
3	Nov. 1956 ..	♦103½	103⅞
3	May 1957 ...	102⅞	102⅞
3	Jan. 1959 ...	102⅞	103⅞
3	June 1960 ...	102⅞	103½
3	Feb. 1962 ...	102⅞	103⅞
1½	Nov. 1950 ...	100	100⅞
3	Oct. 1963 ...	102⅞	103⅞
3	Sept. 1966 ...	102⅞	103⅞
Dom. of Canada Bonds:			
3	June 1958 ...	102½	102⅞
3	Feb. 1952 ...	103	103½
3	June 1955 ...	100½	101
3½	June 1966 ...	103⅞	104½
3	Perpetual ..	†102⅞	103½
3½	Feb. 1950/52.	100½	100⅞
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	101⅞	102½
4½	Sept. 1951 ..	▪114½	116½
4½	Feb. 1956 ..	▪123½	124⅞
4½	July 1957 ..	♦125½	126⅞
5	Feb. 1954 ...	110	111
5	Feb. 1970 .	*▪115½	116⅞
4⅞	June 1955 ..	▪123⅞	125½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	▪123	125
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	▪112½	114
4	Jan. 1962 ..	▪123	125½

%	Due	Bid	Ask
Montreal Harbour Comm.:			
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64.	100½	101½
3½	June 1959 ...	♦111	113
3½	June 1950/71.	100½	101½
3½	June 1950/72.	♦109½	111
British Columbia:			
2½	Jan. 1967 ...	95	97
4½	Jan. 1969 ..	♦132½	134½
5	Apr. 1954 ..	♦120½	122½
5	Sept. 1953 ...	106	108
3	Dec. 1960 ...	99½	101
4	Dec. 1957 ..	♦117½	119⅞
Manitoba:			
4	Dec. 1957 ..	♦117½	119½
4½	Dec. 1956 ..	♦121½	123½
5	Dec. 1959 ..	▪128⅞	130⅞
2½	Aug. 1962/64.	94½	96
5½	July 1958 ...	116½	118⅞
New Brunswick:			
4½	Apr. 1961 ..	♦120½	122½
5	Jan. 1960 ..	♦124	126
2½	June 1966 ...	88	90
3½	Oct. 1960 ...	97	98½
Nova Scotia:			
3½	June 1956 ...	101	102½
4½	Nov. 1960 ..	♦125	127
5	Mar. 1960 ..	♦128½	130½
3	June 1956/58.	100	101½
2½	Sept. 1966 ...	94½	96½
3½	May 1960/62.	101½	102⅞

%	Due	Bid	Ask
Ontario:			
2⅞	Nov. 1965/69.	96	97½
3	Apr. 1962/65.	100½	101½
3½	May 1952/55.	101½	102½
4	June 1962 ..	▪122⅞	124⅞
4½	June 1950 ...	101	102
4½	Jan. 1962 ..	♦128	130
5	Dec. 1960 ..	▪131½	133½
2½	July 1967/76.	94½	96⅞
Ont. Hydro Commission:			
4	Aug. 1957 ..	▪118½	120½
2½	June 1961/71.	95⅞	97
2½	Oct. 1965/68.	96	97½
Prince Edward Island:			
4	Mar. 1951/54	101	102½
Quebec:			
3½	Mar. 1954/59.	103	104½
3½	Feb. 1952/55.	102½	104
4½	Aug. 1958 ...	108½	110
4½	Jan. 1963 ...	114	115½
3	Feb. 1960/62.	100½	102
4	Nov. 1950/52.	101½	102⅞
Quebec Hydro Commission:			
3	Feb. 1969/73.	98½	100
Saskatchewan:			
4	Nov. 1955/60.	100½	101⅞
5	Aug. 1958 ...	107	109
4½	Mar. 1960 ..	♦115½	117½
5½	Oct. 1952 ...	104½	106½
6	Mar. 1952 ...	104⅞	106⅞
5	Dec. 1959 ..	♦119½	121½
3	Mar. 1963 ...	92½	94
3½	Nov. 1960/62.	93½	94⅞
3½	Feb. 1960/62.	99½	100⅞

♦Callable on or after earliest maturity shown & payable at maturity at 101.
†Callable on or after Sept. 15, 1966. ♦Payable Can. or N. Y.
▪Payable Can., N. Y. or L. *Callable at a premium

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Ltd., and Kamm, Garland & Co.)

Nov. 7, 1949

	Bid	Ask
Allens Toronto units	42.00	....
Anglo-Can. Tele. A	10.25	11.25
Ashdown Hdwre. B	12.00	....
Beauharnois L. H. & Pr.	19.25	20.25
Beauharnois Power	6.50	9.00
B. C. Sugar	87.00	90.00
British Mtge. & Trust	188.00	....
Can. General Invest.	17.25	17.75
Can. Gen. Sec. C	7.00	....
Can. Investors Corp.	8.00	8.75
Can. Motor Lamp	22.00	24.00
Can. Silk Prod. A	22.00	24.00
Can. West. Nat. Gas com.	60.00	....
Do. pfd.	18.75	20.00
Capital Wire Cloth com.	14.25	....
Chase, A. W. units	53.00	....
Colonial Steamships com.	120.00	125.00
Commercial Finance com.	17.50	....
Commercial Life 10% paid	10.00	....
Confed. Life 30% paid	185.00	....
Continental Life 20% pd.	45.00	....
Detroit Intl. Bridge	18.25	19.25
Dover Industries Ltd.	9.75	10.75
Dunlop Tire pfd.	25.00	26.00
Empire Life Ins. 25% pd.	17.00	19.00
Galt Brass com.	30.00	33.00
Goderich Elev. & Trans.	16.50	18.00
Great West Life	450.00	465.00
Guardian Realty pfd.	53.00	....
Guelph & Ont. Svgs. $50 par	61.00	....
Imperial Life	340.00	355.00
Lambton Loan $50 par	80.00	84.00
Loblaw Groc. Inc.	21.00	22.00
Manufac. Life Ins	340.00	365.00
Monarch Life 40% pd.	132.50	....
Mountainview Apts. pfd.	25.50	30.00
Northern Tel. com.	1.60	1.90
Peller Brewing com	2.00	2.75
Do. pfd.	15.00	17.00
Ritchie Cut Stone pfd.	7.75	8.50
Sawyer Massey com.	2.75	3.50
Seiberling Rubber com.	5.00	6.50
Sincennes, McNaught. Tugs	2.00	3.00
Sovereign Life 25% pd.	47.00	....
Standard Fuel pfd.	35.00	38.00
Do. com.	3.00	5.00
Third Can. Gen. Inv.	3.60	4.00
Toronto General Ins.	6.00	8.00
United Farmers Co-op.	2.00	3.50
United Steel A pfd.	24.00	25.50
Victoria Trust & Svgs.	135.00	....
Waterloo Manufac. com.	6.00	....
Waterloo Trust & Svgs.	123.00	125.00
Western Assurance com.	68.00	....
Western Grain com.	1.00	1.40
Do. pfd.	21.50	23.50
York Trading com.	10.50	12.00

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

MUNICIPAL

Town of Pointe Claire, Que.—2¾% and 3% debentures, due Nov. 1, 1950-59-64, 360,000, issued Oct. 25, 1949. Sold at $98.246 to McTaggart, Hannaford, Birks & Gordon Ltd. and Gairdner & Co. Ltd.

District of Saanich, B.C.—3% and 3½% debentures, due Sept. 15, 1950-59-69 and Oct. 15, 1950-54-59, $640,000, issued Oct. 25, 1949. Sold at $100.766 and $101.73 to Odlum Brown Investments Ltd.

City of Victoria, B.C.—2½%, 3½% and 3¾% debentures, due Dec. 1, 1950-69 and Mar. 1, 1950-64, $635,000, issued Oct. 25, 1949. Sold at $99.3597 to A. E. Ames & Co. Ltd., Bank of Montreal and Nesbitt, Thomson & Co. Ltd.

School Commission of Village of St. Andre, Que.—3% debentures, due Nov. 1, 1950-64, $91,000, issued Oct. 26, 1949. Sold at $98.565 to P. E. Letourneau Inc.

Town of Weston, Ont.—3½% debentures, due 1950-64-69, $329,000, issued Oct. 27, 1949. Sold at $99.6876 to Bankers Bond Corp. Ltd. and J. L. Graham & Co. Ltd.

School Commission of Clermont, Que.—3% and 3½% debentures, due Oct 1, 1950-55-69, $235,000, issued Oct. 27, 1949. Sold privately at $96.50.

CORPORATE

La Societe de Rehabilitation Inc., Sherbrooke, Que. — 3½% and 4% debentures, due Sept. 1, 1950-58-59, $1,000,000, dated Sept. 1, 1949. Sold at $100 and accrued interest to Belanger Inc.

Librairie Beauchemin Ltd. — 4%, 4½% and 5% debentures, due Oct. 1, 1950-54-63-64, $2,500,000, issued Oct. 27, 1949. Offered at $100 by Credit Interprovincial Ltd.

COMMON

British Columbia Power Corp. — 240,000 Cl. A shares (no par value) sold at $27.50 per share by Nesbitt, Thomson & Co. Ltd.

Bond Redemptions

Bond issues:	Rate	Year	Call	Price
♦Algoma Cent. Term. 1st mtge. D.S. & bds.	5%	1959	Dec. 31	125
♦Candn. Nat. Rly.	5%	1970	Feb. 1	105
♦Cons. Pap. Corp. 1st mtge. bds.	3½%	1967	Jan. 2	101½
♦Thompson Co. ser. deb.	3%	'49-52	Nov. 15	101
♦Thompson Co. ser. deb.	4%	'53-57	Nov. 15	102
♦United Sec. coll. trust bds. ser. B	3%	1952	Dec. 1	100½

♦$778,000 ♦A.A. o/s.

Market Comment

What stocks and bonds are doing and what prominent observers say

There were two rather unique market developments this week: Canadian industrial averages moved up independently of New York (actually the T.S.E. tacked on a 2½ point rise in two days in the face of a half point decline for the Dow-Jones industrial average on Monday and a Tuesday U. S. holiday); the Dow-Jones rail group came to life, moved ahead against the easing action in the industrials. Special Canadian stock situations such as announcement of year-end dividend extras and reports of continued high earnings helped spark the Canadian show of strength.

It is interesting to note that from the June, 1949, lows the T.S.E. industrials have advanced 43.34 points, or 27.5%, as against a 29.8 points, or 18.5%, advance for the Dow-Jones group. The discrepancy isn't so remarkable as seems at first glance. The T.S.E. industrial group had been much more depressed than the New York group in June and is just now regaining its former relative position with the Dow-Jones average.

Although recent churning action of U. S. markets without getting very far gives indication of increasing stock supply around these levels, there is as yet little sign of abatement in demand for stocks. Force of idle money seeking investment and attractiveness of current high stock yields are very potent market factor at the moment. Many analysts think they'll prove strong enough to overcome such bearish influences as year-end tax selling in the U. S. and reduced fourth quarter earnings in many companies.

How many traders noted the sharp fall-off in demand for Imperial Oil shares on Tuesday when U. S. markets were closed? It is no secret that the greater part of the heavy stock demand which has boosted this issue $3 a share in six days has come from south of the border.

* * *

FRANK S. LESLIE: Frank S. Leslie & Co. (Toronto)

It would appear now that the bear market which began in June, 1946, came to an end in June, 1949, and that we are now in the first leg of a new bull market, and that it is in the process of revising its ultra-conservative valuation of corporate earnings, equity behind common shares, and dividends (in the United States dividend yield is 2.2 times that of prime bonds).

Canadian industrials have advanced 25% since June, 1949, while oils, base metals and golds show an average advance of 44%. This shows that inflation fears also occupy investors' minds and in addition, the belief that sooner or later the price of gold will be advanced persists. It is possible that before the Canadian dollar is made freely convertible (which should not be too long delayed) that the official premium of United States funds may reach 15 or 20%.

The inflation picture is quite clear as we look back 40 years and note that we have had from 300 to 400% inflation in that interval. In other words, we will probably have 100% inflation during the next 10 to 15 years. This will double the cost of living from present levels.

With this prospect before us—with the 10% of dividends allowance against income tax payments in Canada—with the fact that only about 55% of earnings are being paid out in dividends by corporations and that many stocks are selling at less than half their equity values and as low as only four times earnings—we cannot be otherwise than bullish on common stocks.

* * *

H. T. BURGESS: Charles H. Burgess & Co. (Toronto)

Interest in Canadian investment markets lately has centred around developments in the Alberta oil fields where new discoveries have greatly increased the possibilities for the field. This development has attracted large sums of foreign capital to Canada and the servicing of this oil production will have an important part in the future of some Canadian companies. The supplying of steel for the construction of a pipeline to handle this oil production will tax that particular branch of Canada's steel industry for some years.

Canada has long been fortunate in her supply of natural resources which have greatly assisted in the country's development. The ultimate production from the Alberta oil fields should mean that Canada can take care of her own requirements of oil without having to provide sizeable sums of foreign exchange for their importation from other countries.

The shares of our Canadian companies benefiting directly from these developments have shown substantial market improvement and the investment position of these companies has been greatly strengthened. Year-end dividend and earning announcements that have so far been made indicate for the most part a good year for most Canadian companies. There have been some disappointments, however, which indicate that business is becoming more competitive than formerly. Greater care in reviewing one's present investment position would appear warranted.

* * *

ROGER BELANGER: Belanger Inc. (Montreal)

The market has been showing a good deal of confidence in recent weeks. Its generally optimistic tone has continued even in the face of such bad news as the coal and steel strikes in the United States.

The majority of companies have taken great pains in the past few years to get themselves in sound financial shape. Investors, too, have not forgotten the hard lessons of 1929 and have maintained a cautious outlook despite the high postwar level of earnings.

As a result, the general picture looks healthy, and it would appear that we are still in a buying period. In Canada, shares of the oil companies should prove to be a good long-term investment. With the steady increase in the demand for power, the public utilities are also a good buy.

Lower earnings are likely for some industries. These include the pulp and paper companies which, although they're in much better shape than in the thirties, are expected to show earnings down from last year's peak levels, despite the 10% U. S. premium. The textile industry, too, is expected to show some contraction with the increasing competition from the U. K. following devaluation.

* * *

MERRILL LYNCH, PIERCE, FENNER & BEANE (New York)

Average common stock prices do not give adequate recognition to such fundamental factors as depreciation of the dollar (increase in commodity prices from prewar levels), broader income distribution and higher living standards. In combination, these should provide larger sales volumes, earnings and dividends compared with prewar results. Ratios of price to current earnings are low and dividend yields are high compared with averages for recent years.

The Federal Government currently is committed, moreover, to policies which are inflationary in general direction. Federal Reserve System operations are geared to maintaining low money rates, while an increasing Federal deficit is adding to the total money supply. Given greater confidence in a "floor" under dividend rates, as well as under various farm commodities and wage rates, investors could pay appreciably higher prices and still obtain yields better than the average of the last 10 or 20 years.

* * *

BARRON'S: The Trader (New York)

The stock market advance has still a long way to go to discount the forces of so favorable a combination as good business and easy money, rising earnings and mounting dividends. Ratio of prices to earnings and the spread in yield from stocks above the return from prime bonds are both double the figures that obtained at the bottom of the market break, 30 points lower, in October 1946.

* * *

New Highs and Lows

During the week ended Nov. 5, 77 new highs were recorded among the general stocks on Canadian Stock Exchanges and 12 new lows. In the mining group there were 18 new highs and six new lows. In the western oil group there were two new highs and one new low.

GENERAL

New Highs—1949

Abitibi Pr. & Pap.
Do. pref.
Bk. Toronto
Brant. Cord.
B. C. Turf
Bruck Mills B
Can. Packers A
Can. Perm. Mtge.
Can. Bank Comm.
Can. Bronze
Can. Canners 2 pf.
Can. Celanese
Can. Gen. Inv.
Can. Tire
Catelli Food
Cons. Paper
Cosmos Imp.
Davis Leather B
Disher Steel
Dom. Ang. Inv. pf.
Dom. Bridge
Dom. Found.
Dom. Scot. Inv. pf.
Dom. Glass
Economic Inv.
Federal Grain pf.
Fibre Prod. pref.
Gen. Products A
Gen Stl. Wares pf.
Gypsum Lime
Halifax Insurance
How. Smith Paper
Imperial Oil
Industrial Accept.
Do. 5% conv. pfd.
Int. Metals
Int. Paper
Int. Utilities
Laura Secord
McColl-Fron. pref.
Mitchell, Robt.
Monarch Mtge.
Moore Corp.
Nat. Brew. pfd.
Nat. Drug
Do. pfd.
Nat. Hosiery A
Ont. Steel
Ott. L. H. & P. pf.
Quinte Milk A
St. Law. Corp. 2 pf.
St. Law. Pap. 1 pf.
Do. 2nd pref.
Sher.-Wms. pfd.
Silverwoods A
Slater, N.
So. Can. Pr. pref.
St. Paving
Do. pref.
Steel of Can.
Do. pref.
Supertest ord.
Taylor Pearson
Do. 5% pref.
Toronto Iron
Traders Fin. A
Do. B
Un. Amuse. A vt.
United Steel
Viceroy
Walker-Good.
Westeel
Western Brew.
West. Grocers
West Koot. pref.
Weston, George
Zeller's

New Lows—1949

Algoma Steel
B. C. Pulp & P. pf.
Brucks Mills A
Can. Converters A
Candn. Cottons
Claude Neon pref.
Intercity Bak.
MacKin. Steel
Nat. Brewers pref.
Penmans pref.
Stuart, D. A. pref.
United Amuse. B

MINING

New Highs—1949

Amer. Nepheline
Cons. Lebel
East Sullivan
Falconbridge
Gold Eagle
Harricana
Jaculet
Malartic Gold
Mining Corp.
Mosher Long Lac
Newlund
Noranda
Preston E. Dome
Quemont
Starratt Olsen
Sullivan Cons.
United Keno
Viola Mac.

New Lows—1949

Century
Cons. Ansley
Gillies Lake
Int. Uranium
Sannorm
Utica

OILS

New Highs—1949

Pacific Petroleum
Atlantic

New Lows—1949

Ledue Calmar

Dividends Declared

	This payment $	Date payable	Date of record
Acadia Atlant. A	.25	Jan. 3	Dec. 12
Do. pfd.	1.25	Dec. 15	Nov. 21
Acme Glove pfd.	.50	Dec. 1	Nov. 16
Agnew Surpass	.15	Dec. 1	Oct. 31
Abitibi Pwr. & Pap.	.50	Jan. 1	Dec. 1
Do.	‡.25	Dec. 1	Nov. 1
Aluminium	.60+.50	Dec. 5	Nov. 10
Aluminum pfd.	.25	Dec. 1	Nov. 2
Anglo Can. Tel. A	.15	Dec. 1	Nov. 10
Argus Corp.	.15	Dec. 1	Oct. 31
Do. pfd.	1.12½	Dec. 1	Oct. 31
Assoc. Tel. Ot. $6 pf	†3.42	Dec. 19	Nov. 15
Do. $7 pfd.	†3.99	Dec. 19	Nov. 15
Aunor G. M.	.05	Dec. 1	Nov. 10
Auto Electric	.10	Dec. 15	Nov. 18
Do. A	.12½	Dec. 15	Nov. 18
Bk. Candn. Nat.	.20	Dec. 1	Nov. 15
Bk. of Montreal	.20	Dec. 1	Oct. 31
Do.	‡.20	Jan. 3	Nov. 30
Bank of N. Scotia	‡.30	Jan. 3	Nov. 30
Bk. of Toronto	.30	Dec. 1	Nov. 15
Do.	‡.20	Jan. 3	Nov. 15
Barber Ellis	.50	Dec. 15	Nov. 30
Beaver Lumber	.50+.50	Feb. 1	Jan. 10
Do. A	.25	Jan. 3	Dec. 10
Do. A	.25	Apr. 1	Mar. 10
Do. pfd.	.35	Jan. 3	Dec. 10
Do. pfd.	.35	Apr. 1	Mar. 10
Beld.-Cort.	1.50+1.00	Jan. 3	Nov. 30
Do. pfd.	1.75	Jan. 3	Nov. 30
Belgium Glove	.15	Jan. 2	Dec. 15
Do. pfd.	.25	Jan. 2	Dec. 15
J. Bertram & Sons A	.25	Nov. 15	Oct. 31
Do. B	.05	Nov. 15	Oct. 31
Bickle Seagrave	.05	Nov. 22	Nov. 8
Bowes Co. A	.12½	Nov. 15	Oct. 31
Do. B	.50	Nov. 15	Oct. 31
Brazilian Tr.	1.00	Dec. 15	Nov. 10
B. A. Oil	.25	Jan. 3	Dec. 6
Do. pfd.	0.234375	Jan. 3	Dec. 6
Brown Co. pfd.	1.50	Dec. 1	Nov. 10
Bruck Mills A	.30	Dec. 15	Nov. 15
Do. B	.07½+.07½	Dec. 15	Nov. 15
Bulolo Gold	.50	Dec. 2	Nov. 14
Can. Cement pfd.	.32½	Dec. 20	Nov. 18
Can. Foils	.10	Dec. 15	Nov. 25
Do. A	.15	Nov. 15	Oct. 28
Can. Malartic G.	.02	Dec. 14	Nov. 22
Can. Safeway pfd.	1.12½	Dec. 1	Nov. 14
Candn. Bak.	.20 ext.	Nov. 15	Oct. 31
Candn. Brew.	.50	Jan. 2	Nov. 30
Candn. Car	.20	Nov. 22	Oct. 31
Do. A	.25	Nov. 22	Oct. 31
Candn. Fairb.-M.	.25+.25	Dec. 1	Nov. 15
Candn. Food A	.25	Jan. 2	Nov. 30
Do. pfd.	1.12½	Jan. 2	Nov. 30
Candn. Dredge	.25	Feb. 2	Jan. 6
Can. I. Alco. A & B	.25	Dec. 10	Nov. 10
Can. Int. Inv. Tr. pf.	5.00	Dec. 1	Nov. 15
Candn. Motor	.15	Dec. 15	Nov. 15
Candn. Oil	.20	Nov. 15	Oct. 15
Candn. Tire	.30	Dec. 1	Nov. 19
Candn. Utilities	1.25	Nov. 15	Oct. 28
Can. West. Nat. Gas	.20	Dec. 1	Nov. 15
Candn. Wirebound A	.37½	Jan. 3	Dec. 9
Capital Est.	†.30	Nov. 15	Oct. 31
Cochrane-Dunlop Hdwre. A	.20	Nov. 15	Oct. 31
Do. pfd.	.30	Nov. 15	Oct. 31
Cockshutt	.20	Dec. 1	Oct. 29
Com. Int. Corp.	.06	Nov. 15	Nov. 1
Consol. Text. Mills	.15	Dec. 1	Nov. 15
Do. pfd.	.50	Dec. 1	Nov. 15
Consumers Glass	.37½	Nov. 30	Oct. 28
Cooksville A	.15	Dec. 1	Nov. 15
Corp. Investors	.08½	Nov. 15	Oct. 29
Corr. Paper Box	.37½	Dec. 1	Nov. 11
Do. pfd.	1.25	Dec. 1	Nov. 11
Cosmos Imp.	.20	Nov. 15	Oct. 31
Crown Cork	.50	Nov. 15	Oct. 15
[illegible]			

Corporation Bonds

(Supplied by Investments Dealers' Association of Canada)

Nov. 8, 1949

Public Utility Issues:	Rate	Due	Bid	Ask.	Prev. Week Bid
*Alg. Cen. H.B.R.	5	'59	86½	91½	88
Bell Telephone	3	'77	98½	101½	98½
B. C. Electric	3½	'67	96½	99	96½
Do.	3¾	'69	101½	104	101½
Calgary Power	3½	'72	97½	...	96½
East Kootenay	3½	'67	91	95	91
Gatineau Pr. D	3½	'70	101	103½	101
Gt. Lakes Pwr.	3½	'67	98	101	98
*Int. Hydro-El.	6	'44	66½	69½	66½
Int. Prov. Pipe Line	4	'70	134	138	133
L. St. Law. Pwr.	3¾	'65	97½	...	97½
Maclaren-Quebec Power	3	'69	94½	...	94½
Mtl. Trams. B	5	'55	98	101	98
Nat. Lt. & Pwr.	4½	'61	100½	...	100
Nor. Que. Pwr.	4½	'67	99	102	99
Ott. L.H. & Pr.	4	'57	100½	...	100½
Power Corp.	3½	'67	97	...	97
Quebec Power	3	'62	98½	101	97½
St. Maurice Pr.	3½	'70	99	102	99
Shaw W. & Pr.	3	'61	99	102	99
Shaw W. & Pr.	3	'71	96½	99½	96
Do.	3½	'73	101	103½	101
Union Gas	4½	'50	100	103	100
Un. Fuel Invest.	4	'59	101	...	101
United Secs.	3	'52	99½	...	99½
Wpg. Electric	3½	'71	102	104½	102
Industrial Issues:					
Abitibi Pr. P.	3½	'67	101	103½	101
Acadia-Atlantic Sugar	3¾	'65	101½	...	101½
Aluminum Co.	3½	'74	102	...	102
Bathurst P. & P.	3¾	'68	99½	...	99½
B. C. For. Prod.	4	'60	90	93	90
B. C. Pulp & Pa.	3½	'67	94½	97½	94½
Bowater's Nfld. P. & P.	3½	'68	94½	97½	94½
Brompton Pulp & Paper	3½	'66	94½	97½	94
†Brown Co.	5	'59	94½	97½	93½
Burns & Co.	4	'63	97	100	97
Can. Steamship	3½	'57	99½	...	99½
Do.	4	'66	100½	103	100½
Can. Bread	4½	'67	99½	102	100
Can. Brew.	3½	'67	96	99	96½
Can. Celanese	3	'62	97½	100½	97½
Can. Oil	3½	'62	99	102	99
Can. W. Lum.	4	'62	100½	103½	100½
C.P.R.	3½	'51	101	...	101
C.P.R.	4	Perp.	109	...	109
Cockshutt Plow Co.	4½	'65	101½	104	101½
Colombia Cell.	5	'68	101½	104	101½
Consol. Paper	3½	'67	101½	104	101½
Dom. Coal	4½	'52	100½	...	100½
Dom. Tar & Ch.	3½	'57	101	...	101
Dom. Textile	3½	'59	100½	...	100½
Dom. Woolens	5	'64	98	101	98
Dryden Paper	4	'61	100½	...	100½
E. B. Eddy	3½	'66	99	101½	99
E. B. Eddy	4	'66	102	...	102
English Elec.	4	'67	95½	98½	95½
Federal Grain	4	'64	99½	102	99½
Gt. Lakes Pap.	3½	'67	99½	...	99½
Imp. Tobacco	3¼	'66	96½	...	96½
Indust. Accept.	3½	'66	97½	...	97½
Lake St. J. P.	5	'67	101½	104	101½
Laurentian Silk	4½	'67	99	...	100
MacMillan (H.R.) Ex.	4	'65	101½	104	101
Maple L. M.	3½	'63	97	100	97
Massey-Harris	3	'66	96½	99½	96
Do.	4½	'63	102½	105	102
McColl-Front.	5	'71	95	98	94½
Mercury Mills	4	'63	99	...	98½
Monarch Knit.	4	'66	100	103	100
N. S. Steel Coal	3½	'63	98½	100	98
Penman's	3½	'66	100	...	100
Price Bros.	3½	'66	101	103½	101
Silv. Dairies	4	'60-64	98	101	98
Do.	4	'71	87	91	87
Simpsons Ltd.	3½	'60	101½	104	101
Stl. Co. of Can.	2½	'67	95½	98	95½
Tor. Elevators	3½	'66	98½	...	98½
Traders Fin.	4	'64	114	...	111
United Corp.	4	'58	100	103	100
United Steel	4	'60	99	102	99
Un. Grain Gr.	4	'63	100	...	100
†Western Grain	5	'63	85	88	85
York Knit. Mills	3½	'71	90	93	90

*Payable in Canada or United States.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.86	$19.74	$20.93
Hogs	29.10	29.10	30.60
Copper, lb.	.18½	.17⅝	.23½
Sugar, raw, lb.	.0550	.0550	.0518
Coffee, lb.	.47⅛	.44	.26½
Hides	.25	.25	.26½
Weekly Indices			
U. S. Labor	151.4	152.5	164.0
Dow Jones	134.32	132.13	143.56
Fisher's	160.2	159.7	173.0
Monthly Indices			
Retail (Oct.)†	162.2	162.3	159.6
W'sale (Sept.)	155.4	155.5	158.4
U. S. (Aug.)	153.0	153.6	169.4
Gt. Brit. (Aug.)	228.6	228.8	221.1

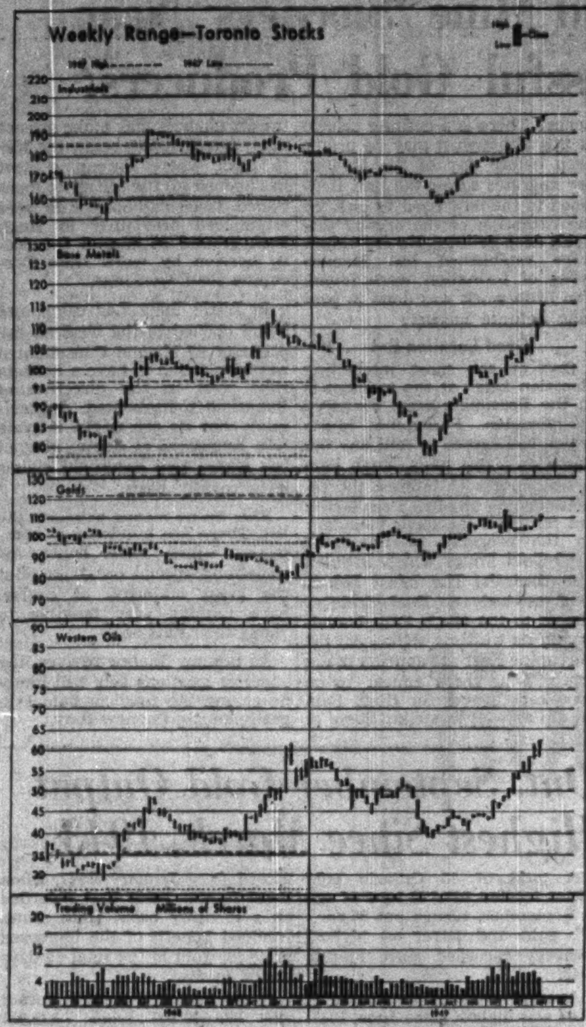
Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

†Payable in Canada, U. S. or U. K.
*Payable in United States.
♦Payable in Canada only.
▪Payable in Canada or U. K.

Investment Trust

	Bid	Ask.
Affiliated Funds	3.95	4.28
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.90	5.35
Can. Invest. Corp.	8.00	8.75
Corporate Invest.	8.57	9.28
Commonwealth Int.	3.53	3.88
Trans-Canada	14.70	....
Do. B	....	15.10



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NORSEMAN MINES has received payment for Oct. 26 underwriting of 100,000 shares at 7½c a share under agreement with Wedlake Interests. Issued capital is 4,565,000 shares, leaving 435,000 in treasury.

Are There Gold Mine 'Sleepers' Near Present Successful Gold Producers?

By GORDON M. GRANT

There is an old saying that a good place to look for a gold mine is next to a producing mine. As has been pointed out on more than one occasion, however, if every property next to a producing mine turned out to be a producer there would in time be a string of producing gold mines right around the world.

Despite disappointments that have often attended speculation on basis of location only, history shows that "location" occasionally has paid off.

In the Porcupine camp, for instance, Hollinger and Dome paid millions of dollars for adjoining properties. Sometimes, strike, dip or rake of known ore bodies at established mines may have an important bearing on ore chances of neighboring properties.

Several interesting ore chances of this kind have emerged in recent years. There is no guarantee that any of them will have what it takes to make a mine. But the chances are certainly encouraging.

Forty-Four Situation

Forty-Four Mines is an excellent example.

Due to the easterly rake of the San Antonio Gold Mines ore zone with depth, chances appear to be that most if not all of the San Antonio ore structure may migrate into Forty-Four ground as great depths are reached.

Realizing this situation, San Antonio has secured control of Forty-Four. The "pressure of probabilities" has thus resulted in a major markup in the price of Forty-Four shares in recent years, although big ore bodies are yet to be established on its own ground.

Red Lake Position

The Red Lake camp provides further examples of the same thing.

Because it has a wedge of ground between the Campbell Red Lake and New, Dickenson properties, Dexter Red Lake appears to stand every chance of opening up good ore in a section of the rich Campbell south ore zone; Campbell and New Dickenson have opened up good ore zone; Campbell and New Dick-

Dip of the Campbell ore bodies is to the south toward Dexter. Thus at extreme depth, Dexter may get more than a wedge of the great Campbell ore bodies.

Madsen Red Lake ore bodies plunge to the east with depth in the southwesterly part of the Red Lake camp. Will this mean something to one of its neighbors years hence? There is a definite chance of this although it may be pretty deep before any of the Madsen ore migrates across the line. Redwood to the east tried to pick up the extension of the ore by difficult deep drilling. No ore values were established but Madsen types of formation were found. Too little work was done to provide definite answer.

Good Location Bet

One of the most interesting "location bets" at the moment is in the Porcupine area. Financed by Broulan Porcupine Mines which has agreed to mill any ore found on a cost basis, Hugh Pam is watching with interest the recent opening up of rich ore bodies not far from its north boundary on the property of Porcupine Reef Gold Mines which Broulan also controls. The latest 565 ft. long ore body on Reef stretches almost to the Hugh Pam boundary on its westerly strike. All the Porcupine Reef ore appears to dip south. Thus there appear to be good ore chances for Hugh Pam on dip as well as strike. Some of the dip chances may make ore not many hundred feet below the 350-ft. level where Porcupine Reef has opened up the ore shoot mentioned. Two small ore bodies were established previously in Hugh Pam ground at around the 600-ft. horizon by work from Porcupine Reef workings.

In Little Long Lac camp, ore being opened to the west on the property of Magnet Consolidated has been found to have a definite rake west in the direction of Bankfield Consolidated. Appreciating that its ore might migrate into Bankfield at depth, Magnet has leased two Bankfield claims on a royalty basis.

This by no means exhausts the list. There are hundreds of companies which have hopes for something special on strike. But the great majority, of course, have nothing very tangible to "hang their hats on."

As mining finance revives, the superior locations bets will likely be among the first companies to get financing for new tests.

Ont. September Gold Output Highest Since March, 1943

A total of 43 Ontario gold mines treated 813,770 tons of ore in September, turned out $7,350,371 gold and silver — highest recovery recorded since March, 1943.

Average grade of ore treated at $9.03 was highest since June, 1947, the Ontario Department of Mines reports. Daily average recovery of $245,012 was the greatest since February, 1943.

During September, 13,407 wage earners were employed by Ontario gold mines, highest on record since January, 1947, when these figures were first recorded on a monthly basis. Gold mines received benefit of the increased price for gold in the final 10 days of the month.

In the first nine months, output was $60,660,307 from 7,323,081 tons of ore milled. This was an increase of 18.4% in both tonnage milled and value of recovery.

Mine-by-mine analysis of production of Ontario gold mines for the first nine months of this year follows:

Ontario Gold Mines Output
Nine Months Ended Sept. 30, 1949

	Tons Milled	Tons Daily	Recov. per Ton $	Total Value $
PORCUPINE:				
Aunor	132,336	484.7	12.96	1,715,015
Bonetal	33,514	122.8	4.46	149,542
Broulan	47,[illegible]	175.8	5.77	277,030
Buffalo Ankerite	[illegible]	379.9	8.34	865,253
Coniaurum	105,884	387.7	8.55	905,758
Delnite	109,578	401.4	8.93	978,044
Dome	477,100	1,747.6	8.27	3,947,706
Hallnor	96,525	353.6	13.34	1,288,091
Hollinger	830,692	3,042.8	8.56	7,114,359
Hugh-Pam	6,131	22.5	1.95	11,973
McIntyre	533,970	1,955.9	10.11	5,396,656
Pamour	432,119	1,582.9	3.44	1,485,434
Paymaster Consolidated	133,796	490.1	7.21	964,732
Porcupine Reef	59,078	216.4	6.30	372,079
Preston East Dome	177,404	649.8	8.15	1,445,423
Ross	75,309	275.9	6.82	513,912
KIRKLAND LAKE:				
Bidgood	23,745	.....	7.72	183,201
Kirkland Lake Gold	74,330	272.3	13.55	1,007,523
Lake Shore	285,147	1,044.5	14.90	4,249,373
Macassa	93,027	340.8	13.26	1,233,675
Sylvanite	121,177	443.9	10.13	1,228,001
Teck-Hughes	89,879	329.2	10.76	967,011
Toburn	34,812	127.5	11.23	390,787
Upper Canada	90,503	331.5	10.68	966,576
Wright-Hargreaves	148,050	542.3	15.43	2,284,400
LARDER LAKE:				
Chesterville	225,881	827.4	3.52	795,268
Kerr-Addison	1,164,178	4,264.3	6.52	7,595,570
MATACHEWAN:				
Matachewan Consolidated	182,870	669.9	3.24	591,869
Young-Davidson	244,128	894.2	2.99	729,938
SUDBURY:				
Renable	114,388	419.0	7.45	852,248
PATRICIA PORTION:				
Campbell Red Lake	38,513	141.1	8.75	337,067
Central Patricia	109,429	400.8	9.32	1,020,126
Cochenour Willans	62,705	229.7	13.14	823,794
Hasaga	108,841	398.7	5.12	557,337
Madsen Red Lake	162,666	595.8	9.90	1,610,977
McKenzie Red Lake	53,394	195.6	11.69	624,409
New Dickenson	33,714	123.5	5.99	202,001
New Jason	3,802	.....	17.61	66,946
Pickle Crow	87,863	321.8	14.49	1,273,421
Starratt Olsen	76,121	278.8	7.30	555,669
THUNDER BAY:				
Hard Rock	94,225	345.1	4.65	438,556
Leitch	23,726	86.9	30.43	722,157
Little Long Lac	75,403	276.2	8.27	623,457
MacLeod-Cockshutt	132,391	484.9	8.55	1,131,380
Magnet	13,005	47.6	12.26	159,414
Northern Empire	conc.	.....	....	3,528
MISCELLANEOUS:				
January to September	......	.....	....	3,611
GRAND TOTAL	7,323,081	.....	....	60,660,307

Chances Bright For Campbell

Recovery Now Up to 93-94% Using New Roasting Plant

With operating costs below $8 a ton, Campbell Red Lake Mines is expected to show a substantial margin of profit on average mine ore.

Starting 1949, ore reserves were estimated at 320,000 tons averaging 0.463 oz. gold per ton. On basis of current extraction of 93% to 94% and current $38.50 price for gold, a target average recovery of $16.58 a ton appears in prospect for reserve ore. In practice of course, lower grade ore will be treated as well.

The mine has rapidly come quite close to achieving "average" results.

In August, 10,000 tons of ore gave a recovery of $86,000 or $8.60 a ton. In September, 11,000 tons gave a recovery of $160,000 or $14.55 a ton. The marked upturn in September was due to treatment of concentrates in the new Dorr Fluo-Solid roaster which has a capacity greater than double the present output.

Initial capacity of the mill is 400 tons daily and as high as 360 tons a day was treated in September. Ready expansion of capacity can be achieved.

New Levels Stand Up

Earlier this year, the main shaft was deepened to 1,250 ft. with new levels established at 700 ft., 850 ft., 1,000 ft., and 1,150 ft. depth. If anything, ore widths on the three first of these levels are somewhat greater with grade about the same. Average grade on new levels is close to 0.50 oz. gold over 4.5 ft. No difficulty should be experienced in maintaining an average grade of about 0.4 oz. gold per ton or an average of $15.40 (at $38.50 gold) even with stoping of the lower grade central ore body not included in ore reserves at the beginning of the year.

Widths in the central zone are 25 ft. to 30 ft. and low mining costs should be achieved if the central area stands up under further sampling.

ASCOT METALS CORP. has received an additional $50,000, bringing total capital received through underwriting agreement to $165,000. A further 750,000 shares are under option at 45c to 75c a share. Good progress is reported from shaft deepening and station-cutting on the fourth level is expected very shortly. Lateral work will then be done at this horizon while the shaft proceeds to the fifth level.

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East Malartic Showing Improved Output Results

A steady increase in production is being recorded at East Malartic Mines and several recently prepared stopes may mean a step up in the production scale early next year.

In the three months ended Sept. 30, 1949, 89,507 tons of ore were milled for a total value of $484,741 (or $499,341 at the present price of gold). Estimated cost-aid for the period was $96,244. This represented an improvement in each category over the previous quarter when 83,153 tons of ore had been milled for a production of $357,964 at $35 gold with cost-aid for the period estimated at $79,729.

In the third quarter of 1948, $357,964 had been recovered from 76,301 tons of ore with cost-aid of $42,657.

New Levels Get Priority

During the third quarter, as in the previous two quarters, development of the three new levels from No. 4 incline shaft was given priority over all other work.

The main ore zone on 11th and 12th levels is now completely outlined by drifting and cross cutting and the downward extension of the main zone to the 13th level established by diamond drilling. This zone is now known to have a total tonnage between the 10th and 12th levels of 827,063 tons made up of 512,536 tons on the 11th level and 314,577 tons on the 12th. Stope preparation is well advanced on the 11th level with several stopes scheduled for production on this horizon early in 1950.

Development work for balance of the year will be concentrated on the 11th and 12th levels west between the main zone and Sladen boundary to outline the so called Sladen or fault zone ore. On the 13th level development work in waste will also be carried on so that the main zone on this level can be completely explored and the necessary waste openings provided so that deepening of the No. 4 incline shaft can be started early in 1950.

The labor situation has improved greatly during 1949 and it is hoped this trend will continue so that the development at East Malartic can be carried on at the present accelerated pace.

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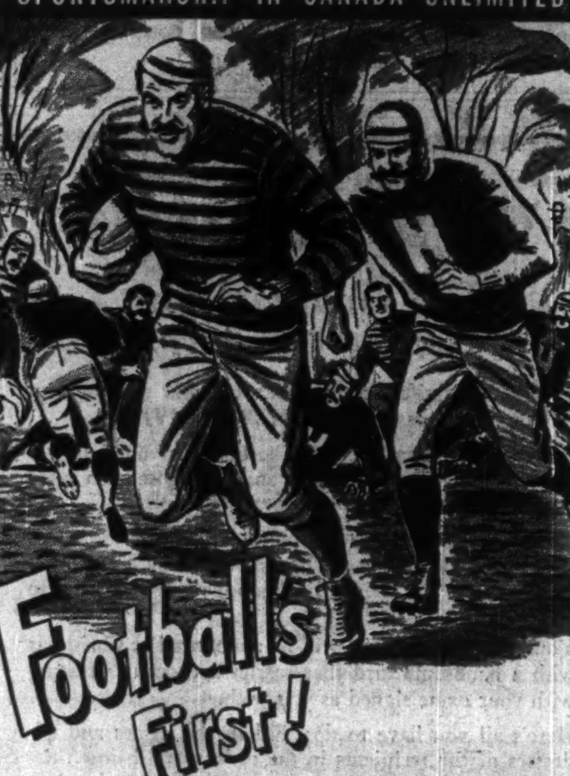

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North American Football owes its life to a visiting Canadian University!

It was 1874 . . . McGill University were guest opponents of Harvard in Boston. During the warm-up period, the Harvard team noticed to their amazement that McGill were kicking and carrying the ball.

The two captains got together and discovered they were playing different games. McGill had come to play rugger, Harvard was ready for a soccer match. But the Harvard captain, with true Bostonian courtesy, offered to play McGill's game. The result was the first "football" game ever played in the United States . . . ending in a scoreless tie.

Good sportsmanship has won many world friends for Canada . . . just as the spirit of working together has made us one of the world's great nations. These two—sportsmanship and team spirit—keep your opportunities for work and play in Canada . . . unlimited.

Canada's East-West final for the Dominion Football Championship and the Grey Cup began in 1921 . . . Toronto Argonauts defeating Edmonton Eskimos 23—0.

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Inco Sales, Net Show Declines

With nickel sales down to $38.2 million in the three months ended Sept. 30, 1949, International Nickel Co. showed earnings of only 31 cents a share, bringing earnings for the first nine months to $1.68 a share against $1.95 a share in the same period of 1948.

In the September quarter of 1948, activity was at a much higher level with sales of $50.2 millions and net profit of $9,685,867 or 63 cents a share. In the June quarter of 1949, sales were $44 millions with profit equal to 53 cents a share.

All values are expressed in terms of U.S. currency.

As at Sept. 30, 1949, current assets totaled $168,444,201 as against current liabilities of $22,626,407, leaving working capital of $145,817,794 vs. $151,525,684 at the beginning of the year. The decline reflects over $13 millions invested in new plant which was not fully offset by depreciation charged during the period.

Macassa Pays Off Bank Loan

A bank loan which amounted to $400,000 at the beginning of 1949 has now been entirely paid off, Macassa Mines says in a report to shareholders. A total of $289,595 principal and interest received from the subsidiary, Renabie Mines, was instrumental in permitting repayment.

Estimated net earnings for the first nine months of 1949 amounted to $289,685 or 10.82 cents a share, exclusive of Renabie interest or Renabie earnings.

Since Jan. 1, 1949, 770 ft. of new ore has been opened up averaging 0.40 oz. gold per ton across an average width of 4.5 ft. Positive ore reserves stood at 440,000 tons averaging $15.86 at $38.50 gold on Sept. 30, 1949.

Hudson Bay Nets $1.03 in Quarter

Net profit of $2,861,594 equal to $1.03 a share was realized by Hudson Bay Mining & Smelting Co. in three months ended Sept. 30, 1949. This brought earnings for first nine months of this year to $3.52 a share.

A total of 1,388,316 tons of ore was milled in the first nine months of this year.

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OIL

Evaluations of holdings of Alberta Oil and Gas Companies made for investors, royalty holders and other interested parties.

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Gold Producers to Pay Off Indebtedness At Rapid Pace Over Course of Next Year

By GORDON M. GRANT

Millions of dollars of indebtedness are expected to be paid off by Canadian gold mines in the course of the next year.

Incurred either for expansion or provision or production facilities, gold mines' debts have proved themselves "good business." Numerous mines will discharge cost of new or added production facilities in the course of two or three years, or even less.

A long list of gold producers will likely make most substantial repayments — Giant Yellowknife, Malartic Gold Fields, Quemont, Campbell Red Lake, Renabie, Starratt Olsen, Ogama-Rockland, Consolidated Beattie, etc.

Giant Yellowknife has already demonstrated how rapidly a good gold mine can reduce its debt. From a peak bank indebtedness of $1,641,000 last March, Giant's debt had been cut to $515,664 at the end of September. On the basis of $193,872 repaid in September, entire loan may be paid off by the end of the year.

It is obvious that Giant is working into a position where the company will soon be able to build up its treasury for expansion and dividends.

Gold Fields Does Well

Malartic Gold Fields had a demand bank loan of $890,000 at the end of 1948 arising out of an expansion of mill capacity from 750 to 1,500 tons daily. Operating profits, plus cost-aid, totaled $568,752 (estimated) for the first half of 1949. It appears that this is one bank loan which should be completely paid off very shortly. The mill averaged only 1,250 tons in the first half of 1949; last half results should be far better.

Quemont's has probably one of the biggest debts in recent Canadian mining history. Its size hasn't been mentioned but may be about $5.5 millions. But with Quemont living up to advance expectations and enjoying benefits of devaluation, this gold-copper-zinc producer may require not much in excess of a year of regular capacity production to wipe out the entire debt.

Campbell Red Lake Mines will likely show an operating profit of better than $2,000 a day. This should permit the company to make fairly rapid inroads on indebtedness. Production was financed by a $2.2 millions 5% bond issue taken up by Dome Mines which holds 60% of the company's issued shares.

Renabie Results Better

Renabie Mines had $790,871, of 5% demand notes and $772,000 of 4% first mortgage bonds outstanding at Jan. 1, 1949. Repayments on indebtedness have totaled $289,595, including interest in 1949. With ore disclosures satisfactory, steady progress should continue to be made in 1950. Operating profit in the first nine months of 1949 totaled $322,908 after interest charges but before write-offs. Of this profit, $131,367 was realized in the September quarter, indicating that a sharp improvement in the earnings position took place.

Starratt Olsen Gold Mines owes approximately a million dollars to its sponsor, Hasaga Gold Mines. Without these funds the company would not have been able to achieve profitable production. Starratt has now built up its working capital; will probably soon be making repayments. Helping the company will be the rich new ore body being opened to the west on the bottom level.

Ogama-Rockland had repaid $115,000 of its $500,000 loan from Gunnar Gold Mines by the beginning of September. Further repayments are expected but expense of shaft sinking, to start early in 1950, may defer further repayments.

Consolidated Beattie has been building up financial position quite rapidly recently and news is expected shortly of payment on debts to Ventures Ltd. and Nipissing Mines. These totaled $450,174 at the beginning of 1949, may be entirely wiped out shortly.

The average of success achieved by borrowing gold mines in recent years stands at a high point despite extremely difficult conditions. Capital expenditure costs have been at the highest level in history. Operating costs have been at higher levels than anticipated. But assisted by mechanization, gold mines above have been demonstrating that a good gold mine is still worth its salt.

Now Seek Fort Knox Gold To Aid Mineral Stockpile

How about trading Fort Knox gold for strategic minerals?

That's the interesting proposal advanced by Elmer W. Pehrson, acting director, Foreign Minerals Section, U. S. Bureau of Mines, in an address last week before the American Tariff League.

Mr. Pehrson's idea:

"The objectives of the current five-year (stockpiling) plan provide only a bare minimum of preparation for global war. If the industrial effort in the next conflict exceeds expectations and we have two previous experiences to justify such an assumption—we shall again face a monumental if not insuperable task of raw-material procurement. Our present goals in stockpiling thus do not provide adequate national defense, nor do they provide security against the widening gap between rising demand and an uncertain domestic production potential in the future.

"To ameliorate this situation, it is proposed that stockpile objectives be expanded greatly and that some of the surplus stock of gold at Fort Knox be used to finance the necessary large-scale procurement. It is contemplated that the program be restricted to metals and metallic ores and other minerals, the future utility of which is certain. These can be stored without loss or deterioration.

"For budget-balancing purposes stockpiling should not be regarded as an operating expense but rather as a capital investment and one that eventually could yield a profit in view of the general upward trend in mineral prices. It is estimated that with proper administration annual foreign purchases of from half to a billion dollars might be justified over a period of ten years.

"Such a program would be a major stimulus to world trade and should go far in stimulating the creative forces of industry all over the world. The United States would gain by exchanging its surplus gold, which has little industrial use, for highly essential industrial raw materials. At the same time, it would release dollars that are badly needed abroad and facilitate redistribution of gold of which we now own such a disproportionate share."

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Magnet Consol. Output Rises Now Close to Breaking Even

A sharp improvement in results both in production and development has been achieved recently at Magnet Consolidated Mines. The outlook is now much improved for placing the operation on a successful basis, The Financial Post is informed.

Mill tonnage was practically doubled in October and there appear to be good prospects of stabilizing production on a break-even basis, including cost-aid, at approximately 100 tons daily.

On the 14th level, 64 ft. of ore has been opened recently to the west averaging 0.8 oz. uncut or 0.6 oz. cut over 3.1 ft. The vein has now widened out with the face averaging 1.17 oz. uncut or 0.86 oz. cut over 8 ft., in latest round.

On the 13th level, a stringer in the wall was found to return 5 oz. over 5 ft. and the west face on the 12th level is also stated to be in ore.

East of the winze on the 12th level, a fair area is being mined and farther east a raise started below an 11th level ore body came into ore in the second lift.

Most of the recently achieved results have been accomplished under the new mine manager, J. M. Thompson, and the new consulting engineer, Ash Johnston.

NEW DICKENSON MINES LIMITED

The development program which this company is presently engaged in is meeting with excellent results. Mill recovery has also improved.

We have prepared a progress report outlining the present underground operations and describing the north C zone development.

A copy of this interesting report may be obtained by writing or phoning to this office.

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Porcupine Reef Body Lengthens

The big ore body of Porcupine Reef Gold Mines west of the diabase dyke, approaching Hugh Pam, has lengthened to 567 ft. with average grade on muck samples of 0.53 oz. uncut and of 0.32 oz. cut over drift width of 8 ft.

This length is equal to about 375 tons per vertical foot, based on drift width, although a greater stope width is indicated by quartz stringers which extend into drift walls. This ore represents an important addition to the main ore body located east of the dyke, which has been opened up on four levels and is now being mined.

The two claims acquired from Porcupine Watborn for 145,000 shares increase area of the company's property by one third. The most westerly claim is located about 800 ft. north of the Porcupine Reef shaft.

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See An Upturn At Cochenour

Lower Grade Ore Held Down Profits in Last Two Quarters

Average recovery at Cochenour Willans Gold Mines has shown a drop from $15.66 per ton the first quarter of 1949 to $11.87 the second quarter and $11.47 in the third quarter, but a definite improvement is considered likely in the current quarter.

Recession in grade in the second and third quarters is attributed to milling of large tonnages from development advance and stope preparation on the second level in the northern No. 2 shaft area. A total of 5,500 tons of 0.148 oz. grade was milled from raising and stope preparation. This grade was economic at the increased milling rate.

Profit ratio on the present dollar price for gold will likely be considerably better than in the two immediately preceding quarters. Milling rate for October increased to 265 tons daily from the average of 235 tons in the first nine months. Prospects for the last quarter thus appear fairly bright.

Mill capacity is now 450 tons daily with installation of extra grinding and flotation capacity. It is planned to maintain a production rate of 300 to 325 tons daily in 1950 with 50% drawn from each shaft area.

Operating profit for the first nine months of 1949 is estimated at $235,682 with net profit of $180,000 or 6.3c a share after allowance for cost-aid and write-offs.

Mine development has been on a routine basis with ore bodies outlined during 1949 on the first, second, and third levels of the No. 2 shaft.

Further work is planned on the No. 413 ore body on levels above and below the fourth horizon.

Hosco to Start Diamond Drilling

An increase in authorized capital of a million shares to five million shares was approved by shareholders of Hosco Gold Mines at a special meeting last week. Arrangements for further financing, on the basis of newly created shares, are now being made.

This week is expected to see diamond drilling get under way to test the downward extension of established ore bodies. There is a decided improvement in values at the 500-ft. horizon over those on the level above, suggesting results may be better at greater depth.

Six diamond drill stations have been established at the 500-ft. level to permit a program of deep diamond drilling. A total of about 12 drill holes is planned. If results are favorable, winze will probably be sunk in the area which is about 1,200 ft. west of the shaft. Two further levels would be opened up.

DOUGRON GOLD MINES plans to start diamond drilling on its Red Lake property shortly.

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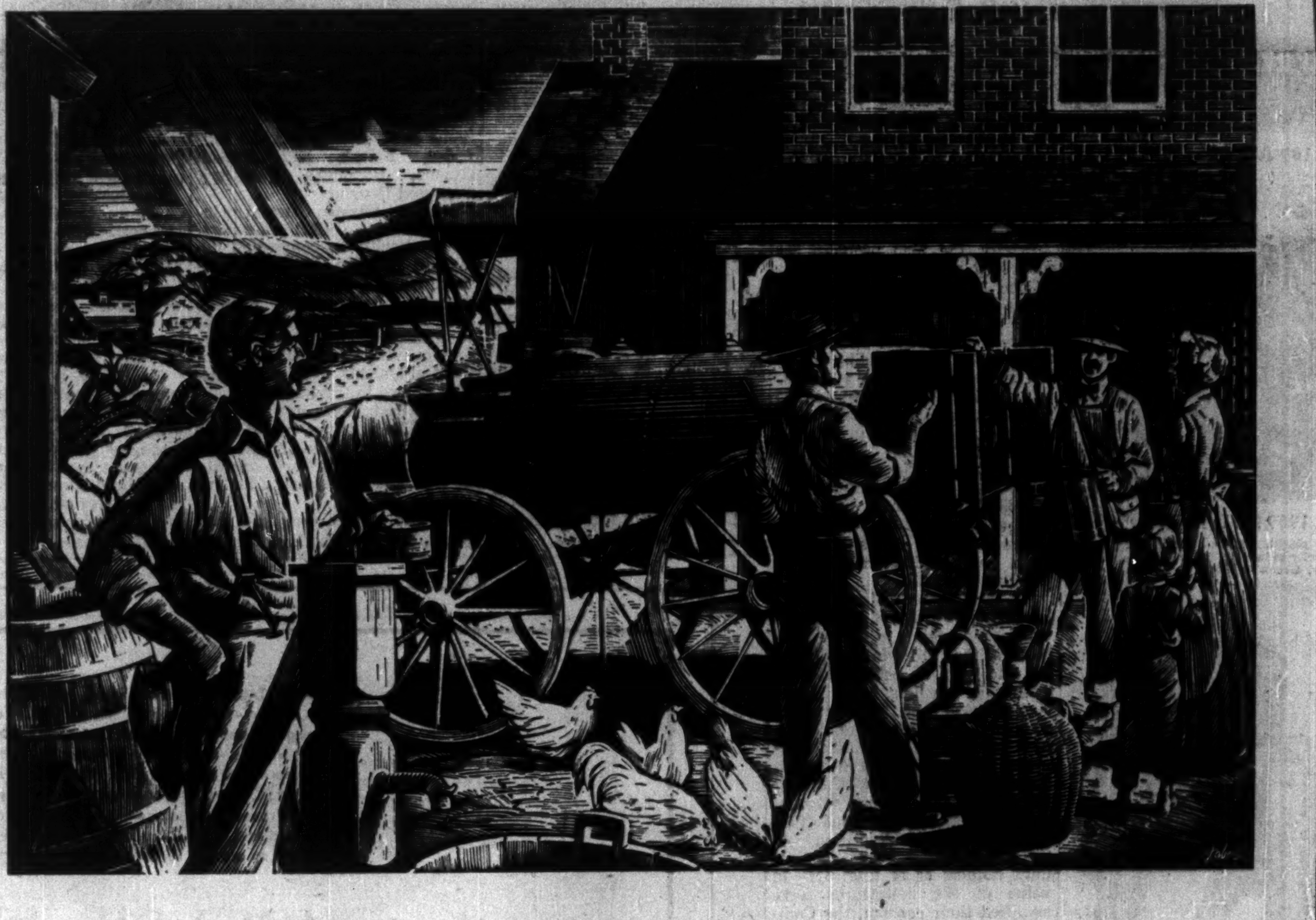

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How Do Foreign Markets, Credits Look After Devaluation, What New Problems?

How do markets look abroad after devaluation? What new problems have arisen through devaluation for dollar-area exporters? How are payment and credit conditions in principal markets? These were some of the principal questions discussed in a foreign credit forum at the Canadian Exporters Association convention in Montreal recently by Stanley Hollis, president, American Foreign Credit Underwriters Corp.,

By STANLEY HOLLIS

The world-wide revisions in currency values that followed Sir Stafford Cripps' announcement of Sept. 18 have put foreign traders everywhere up against a new crop of complex problems to which all the answers have not yet been found.

Order Cancellations: Of minor proportions and generally in anticipation of tumbling prices everywhere. Some cancellations now being reinstated, buyers evidently unable to secure goods of comparable quality or to assure themselves of prompt deliveries, or perhaps of better prices from other sources. Some requested deferment of deliveries till assured their exchange authorities would grant additional exchange needed to cover higher prices caused by devaluation.

Usual cases of buyers asking suppliers to share exchange losses; at recent New York meeting of exporters consensus was all such requests be resisted.

Price Concession Requests: Steady pressure for price reductions expected to continue from overseas representatives to meet competition from devalued areas but most manufacturers sitting tight on price question taking position that rigid labor, raw material and operating costs preclude immediate concessions.

Probably it's still too early to form reliable general conclusions as to devaluation's ultimate effects on export sales and credits. Meanwhile export managers, in United States at least, are fairly well reconciled to the prospect of a temporary decline from current volume of export sales. These estimates usually range between 10% and 25%; some estimate no decline; others put shrinkage at even more than 25%. But no competent seasoned export manager I know is pessimistic as to the future of his export business.

Protective Measures: It would seem advisable, if you have on your books unshipped orders placed before devaluation, to ask for reconfirmation before shipment. In borderline account cases, recheck current financial and credit status and business integrity before shipping pending orders or granting new unsecured credits.

World Market Review

Now, let's take a quick look at credit and payment conditions:

Latin America (the most credit conscious of all our export markets): As buyers' market has intensified, trend throughout has been away from letter-of-credit and toward sight-and-time-draft payments, except for a few commodities, steel for example, which remains in relatively short supply. Recent payment experience on these terms generally satisfactory except in Argentina, Costa Rica and Brazil where we still have long conversion delays.

Argentina making very slow headway in liquidating backlog of dollar indebtedness, its government having made no distribution of foreign exchange since August 20.

Brazil gradually catching up on payments and expects to be in a fairly current position (except perhaps on fourth-category exchange) by year's end. Conversion delays now range from 5½ months for preferential to 13½ months for fourth-category merchandise.

Costa Rica, torn by political troubles and with a poor coffee crop last year, has made little headway in paying off old debts. However, improvement anticipated as a result of a particularly good 1949-50 crop, combined with some outside financing.

Current payments generally reported prompt from Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Mexico, Netherlands Guiana, Nicaragua, Panama, Puerto Rico, Venezuela and the West Indies. In the fairly prompt category are Bolivia, Chile, Colombia (which recently announced that all backlog items have been paid), El Salvador, British and French Guiana, Honduras, Paraguay, Peru and Uruguay.

Western Europe: Among principal markets, collections reported good with no conversion delays in Belgium, Denmark, Finland, Ireland, Italy, Netherlands, Norway, Switzerland, Sweden and Britain. Conversion delays in France slight; Greece fairly long conversion delays; on recent draft shipments to Portugal, delays of two to three months.

Near East: Payment experience spotty; long delays reported on some shipments to Egypt and Turkey, delays to three months in Iran and slight delays in Iraq and Israel.

Africa: Most markets pay promptly for authorized imports, exceptions being Portuguese East Africa, where recent delays have run three to four months and Portuguese West Africa, six months and longer.

Conclusions: These rapidly changing conditions abroad reemphasize need for a much closer surveillance of the credit responsibility of individual buyers. Rigid import controls have sharply reduced the volume of imports, hence sales turnover, and ability to uphold credit record of many old-time customers.

No longer is it justifiable to continue granting credit to old accounts simply because they always met past obligations. Ordinary prudence suggests the consistent, maximum use of those specialized foreign credit reporting agencies whose services have been developed to meet your practical needs.

Today's conditions also point up ever-growing need for keeping informed on political, economic, exchange and payment conditions and trends in the countries with which you do business.

Above all, never lose sight of the fact that the forces now at work, though they may temporarily multiply our business problems, are constructive and salutary in longer-term implications.

Careful analysis brings out nothing in today's export situation to justify undue tightening of credit terms to well-rated buyers in the many good active markets which still offer profitable business opportunities.

OIL PRODUCTION

Excelsior Oil Discovery Sparks New Oil Interest

From Our Own Correspondent

CALGARY—Latest oil discovery of Imperial Oil—Imperial Excelsior No. 1 well, 15 miles north of Edmonton—may have important implications for a large cross-section of Alberta "independents" as well as for Imperial Oil itself.

Late last week oil flowed to surface on a drill stem test at the Excelsior test. A 15-ft. section down to 3,841 ft., definitely in the D2 zone of the Devonian, provided the water-free crude production and prompted speculation that (a) the productive formation might be thicker and (b) that there might be a D3 productive zone as well. Later a 5-ft. section down to 3,860 ft. proved productive and oil also flowed on pulling pipe after a drill stem test of section from 3,864 to 3,870 ft.

Gravity of the crude is approximately 35 deg. API, comparable to oil from the D3 formation at Redwater.

* * *

14 Independents Represented

No less than 14 Canadian independent oil companies are represented in the Excelsior area (within 4½ miles of the discovery well) although Imperial and Crown hold bulk of the acreage.

Pacific Petroleums, Sunray Oil, Atlantic Oil, Calvan Petroleums and Tower Petroleums share two quarter sections—one a mile east of the well; the other 1¼ miles northwest.

Calmont Oils owns three quarter sections, two located 1½ miles north of the Excelsior well, the other 2¼ miles eastnortheast of the well.

Anglo-Canadian, Home and Calgary & Edmonton Corp. jointly hold four half sections, situated two to four miles northeast of the discovery.

Coastal Oils and United Oils jointly own three quarter sections, one a mile north of and the other 4½ miles northeast of the well.

Time Oils holds four quarter sections, one 3½ miles north of the well, the others about four miles southeast of the well.

Superior Oils owns a quarter section about three miles northeast. Leduc Calmar holds a quarter section about 1½ miles due north of the Excelsior Oil strike.

* * *

Normandville Followup

Imperial Oil is wasting no time in following up its Normandville No. 1 Devonian success in Peace River country.

The latest wildcat will be drilled about eight miles northeast of the discovery well and about 20 miles south of Peace River town, 217 miles northwest of Edmonton.

The well will be known as Imperial Magloire No. 1 well.

* * *

Peace River Gas

Pacific Petroleums, Peace River Natural Gas Co. and Sunray Oil Corp. share a new gas discovery in the Peace River area of northeast British Columbia.

The discovery well, Peace River test No. 8, located about 20 miles northwest of Dawson Creek showed a maximum gas flow of 416,000 cu. ft. daily at a depth of 4,849 ft. Drilling is continuing and another test is expected to be run shortly.

Pacific Calahoo No. 1 natural discovery about 17 miles northwest of Edmonton has been completed as a gas well. Initial potential is placed at 20 million cu. ft. of gas daily with the well capped as a commercial gas well.

Transcona Debt Plan Proposed

A new plan of debt adjustment is proposed for the Town of Transcona, Man. This refunding plan, negotiated by W. L. McKinnon of W. L. McKinnon & Co., investment dealers, Toronto, representing a majority of the debenture holders, is set out in Draft Order No. 455/49 of Manitoba's Municipal & Public Utility Board.

Briefly, the plan provides for cancelling all arrears of interest to Dec. 31, 1949, other than payments previously authorized by order of the Municipal & Public Utility Board and for exchanging the presently outstanding $900,000 debentures for new 1½% annuity debentures payable in 35 equal consecutive annual instalments of principal and interest combined due Dec. 31, 1950 to 1984 inclusive. The town will be required to raise an annual levy of $33,240.27 to meet the principal and interest due each year. Debentures and coupons of the town held in its sinking fund will be cancelled.

"In the opinion of the committee this draft order, if issued, will make available to debenture holders the full ability of the town to meet its debenture obligations in the light of its financial position and requirements, so merits the support of debenture holders," J. E. Fortin, secretary of the Winnipeg Suburban Municipal Bondholders Committee writes holders of the 4% consolidation debentures due 1956 of the Town of Transcona. As the order cannot be made final until holders of at least 51% in value of the debentures have signified their consent, the Committee urges holders to return the "form of consent" to its secretary, 302 Bay Street, Toronto 1, as soon as possible.

G. M. Diesel Opens Office

Detroit's General Motors Corp., last week pressed ahead with its expansion into Canada of Diesel-electric locomotive manufacture and sales.

General Motors Diesel Ltd., London, Ont., E. V. Rippingille, Jr., announced opening of its top sales office — in Montreal's International Aviation building, and in charge of Robert E. Hunter, formerly of Chicago. International Equipment Co. of Montreal is retained as sales consultant.

Construction of the new $5 millions plant at London was started recently (The Financial Post, Oct. 1). The plant, 226,000 sq. ft., of steel and brick on 210 acres, will have several miles of testing track at its back door, varying in gauge according to the standards of customer countries. Operating at capacity of one complete locomotive a day, it will employ 1,000.

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THERMOS

BRAND VACUUM WARE

No. 189 JUG SET—Metal case and tray, attractively finished in ivory, green, red or black enamel, chrome plated lip, lift lid and handle. Capacity 32 ozs. Two glass tumblers . . . complete $16.50.

No. 1969 ICE TUB—Beautifully chrome plated with plastic moulded handles and knob. Capacity 64 ozs. . . . $22.00. Enamel tubs in Ivory, Green or Red . . . $16.50.

No. 285 PICNICKER

Strong plastic-impregnated material, pigskin finish with slide fastener. Two 30 oz. Thermos Bottles with four nested plastic cups on each and metal sandwich box . . . $17.00.

No. 820 FOOD JAR

Here's a large size jar, metal case, with wide-mouth top which conserves any kind of food, hot or cold, for picnics or lunches, etc. Lithographed finish with polished aluminum trim, and an insulated cover with black moulded top. Capacity 128 ozs. . . . $27.50.

If your local dealer cannot supply you, write direct for information.

THERMOS BOTTLE CO., LIMITED
1239 Queen St., West, Toronto

The American Thermos Bottle Co., Norwich, Conn., U.S.A.

Thermos (1925) Limited, London, Eng.

THE NEXT HALF CENTURY 1950 2000 BELONGS TO WESTERN CANADA

Overflowing Oil . . .

Oil production in Alberta is today's most spectacular feature of Western Canadian development. Already its flow is greater than the Western market can consume and new wells are being choked back as fast as they are brought in. That Alberta alone will rival or even surpass the great oil-producing field of Texas is freely predicted; and Alberta is but part of the vast oil basin that stretches from Manitoba to the Yukon.

Oil men and oil money are moving in to explore the oil reservoirs of Saskatchewan and Manitoba. Pipe-lines are being laid from Edmonton to Regina and government permission granted for their extension to the Head of the Great Lakes. In a few short years, Western Canada will not only be supplying the oil for all of Canada's needs, but will have become the most important oil factor in the North American economy.

Overflowing Oil is but one of the many reasons why ***the next half century belongs to Western Canada.***

Indicators of the New West

Significant of the mingling of oil and agriculture in Western Canada's development are the roadside markers above. Derricks spring up in wheat fields and farm pastures. Farming goes on without interference. Money flows in from fees and royalties to governments, from surface rights to land-owners. Oil uses increase, oil costs come down. New wealth flows into the rising tide of Western Canada's income, reflected in the growing prosperity of its cities, towns, villages and farms and in the increasing importance of its commodity markets.

Free Press Weekly PRAIRIE FARMER
REACHING 90% OF WESTERN CANADA'S RURAL HOMES

GULF LEAD MINES will have its escrowed stock of 720,000 shares released with the consent of the Toronto Stock Exchange and Ontario Securities Comm.

Donohue Bros. Ltd. Nine Months Net Eases Off 5.4%

Estimated consolidated earnings of Donohue Brothers Ltd. and its wholly-owned subsidiary, Donohue Brothers Sales Corp., for the nine months ended Sept. 30, 1949, amount to $668,543 after depreciation but before income tax.

After deducting $262,817 provision for income tax, the net estimated profit for nine month period is $405,726, equivalent to $2.70 a share compared with $428,932 and $2.86 a share for same period last year. A dividend of 25c a share has been declared payable Dec. 1, 1949, to shareholders of record Nov. 15, 1949.

Erie Flooring & Wood To Pay Divd. on "B"

Directors of Erie Flooring & Wood Products Ltd., West Lorne, Ont. declared a dividend of 50c a share on its "B" shares payable Dec. 31, 1949 to holders of record Dec. 15, 1949 at a meeting prior to the annual meeting. In declaring this dividend, the directors made it clear that future dividends on these shares will be what the profits of the company and general conditions warrant, Dr. Arthur F. Haasz, President, tells The Financial Post.

Directors were re-elected at the annual meeting.

HOUSEHOLD FINANCE CORP. OF CANADA opens branch offices at Medicine Hat, Alta. (L. E. MacDonald, general manager), and Vernon, B.C. (S. A. Berteaux, general manager).

TCA CAPTAIN GEORGE LOTHIAN—veteran of 240 flights across the Atlantic—was one of the first pilots to be employed by TCA, joining September 1937—flew as captain on Domestic routes until 1941, when he was chosen to fly the early Hudsons and Liberators overseas—was loaned by TCA to the Return Ferry Service—instructed RCAF personnel on Liberators—was a pilot on the government's Trans-Atlantic service—is now assistant chief pilot of TCA's Trans-Atlantic division, continually engaged in supervising and checking to see that TCA's rigid flying standards are maintained.

THE MEN "UP FRONT"

Every TCA Skyliner is in charge of a Captain and First Officer (Co-pilot). Carefully selected, intensively trained, TCA captains are men of experience, complete masters of their profession. 75 of them have flown more than a million miles each. Many have had years of experience in Canada's northland flying and others are veterans of the RCAF. All go through an intensive course of studies at ground school before taking to the air with TCA. Their studies cover: aviation mechanics, airways traffic control, radio, navigation, meteorology. Strictly limited to the number of hours they may fly daily or monthly, they are given, throughout their flying careers, frequent medical and flying performance re-checks. TCA captains today are worthily maintaining that proud flying tradition for which Canada is world famous.

TRANS-CANADA Air Lines
INTERNATIONAL • TRANS-ATLANTIC • TRANSCONTINENTAL

One of a series presenting typical representatives of the 5,000 men and women who constitute the most important reason for TCA's record of comfortable, reliable, scheduled flying.